

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

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Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–103551; File No. SR–IEX–2025–17]

Self-Regulatory Organizations; Investors Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Establish IEX Options LLC as a facility of Investors Exchange LLC

July 25, 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 17, 2025, the Investors Exchange LLC (“IEX” or the “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

Pursuant to the provisions of Section 19(b)(1) under the Act³ and Rule 19b–4 thereunder,⁴ the Exchange is filing with the Commission a proposed rule change to establish IEX Options LLC (“IEX Options” or the “Company”) as a facility of the Exchange, as that term is defined in Section 3(a)(2) of the Act,⁵ that will operate the Exchange’s market for the listing and trading of options issued by the Options Clearing Corporation (“OCC”).⁶ The Exchange

also proposes to adopt the Operating Agreement of IEX Options LLC (“IEX Options LLC Agreement”), in the form attached as Exhibit 5 hereto, prior to the commencement of operations by IEX Options LLC as a Facility of the Exchange that operates a market for the trading of options. Pursuant to the Operating Agreement, the Exchange will be the sole member of IEX Options. IEX Group, Inc. (“IEXG”), in turn, is the sole member of the Exchange and thus the sole indirect owner of IEX Options. The Exchange has designated this proposal as non-controversial and provided the Commission with the notice required by Rule 19b–4(f)(6)(iii) under the Act.⁷

The text of the proposed rule change is available at the Exchange’s website at <https://www.iexexchange.io/resources/regulation/rule-filings>, at the principal office of the Exchange, and at the Commission’s Public Reference Room.

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

In its filing with the Commission, the self-regulatory organization 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 self-regulatory organization 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 the Statutory Basis for, the Proposed Rule Change

1. Purpose

As described in the IEX Options Trading Rules Proposal, the Exchange is proposing to adopt rules to govern the listing and trading of options issued by OCC on IEX Options, which rules will, upon Commission approval, be incorporated into the Exchange’s rulebook. In connection with that

Proposal, the Exchange proposes to establish IEX Options, LLC, a Delaware limited liability company wholly owned by the Exchange, as a Facility of the Exchange as that term is defined in Section 3(a)(2) of the Act.⁸ The proposed IEX Options LLC Agreement, together with the Third Amended and Restated Operating Agreement of Investors’ Exchange LLC, dated as of August 11, 2020 (“Exchange LLC Agreement”),⁹ to the extent it is incorporated by reference into the IEX Options LLC Agreement, are the source of governance and operating authority for IEX Options, and therefore function in a similar manner as articles of incorporation and bylaws function for a corporation. As detailed below, the proposed IEX Options LLC Agreement provisions are based upon, and are generally the same as, the provisions of the Exchange LLC Agreement unless specified otherwise in this rule filing. IEX notes that it is not novel for an affiliated entity registered as a limited liability company under the laws of Delaware to be operated as a facility of a national securities exchange.¹⁰

As an exchange, IEX is required to provide “fair access,” meaning fair and equal access to all qualified broker-dealers seeking to become IEX Members that meet financial responsibility and other applicable requirements, which also enables access to all investors who wish to trade through those broker-dealers.¹¹ As a Facility of the Exchange, IEX Options would be subject to these “fair access” provisions, and any proposed IEX Options Rules applicable to the Facility would also be subject to review for compliance with such provisions. The proposed ownership and governance structure of IEX Options, which mirror requirements that have been applied consistently to all national securities exchanges and is subject to review of the Commission,¹²

⁸ 15 U.S.C. 78c(a)(2).

⁹ The Exchange LLC Agreement is available at: Governance | Resources | IEX Exchange | IEX.

¹⁰ See, e.g., Securities Exchange Act Release No. 88806 (February 17, 2022), 87 FR 10401 (SR–BOX–2021–14) (February 24, 2022) (“BSTX Facility Approval Order”) (approving Boston Security Token Exchange, LLC, a Delaware limited liability company affiliated with BOX Exchange LLC, to operate as a facility of the BOX Exchange LLC).

¹¹ 15 U.S.C. 78f(b)(2).

¹² See, e.g., Securities Exchange Act Release No. 34–78101, pp. 20–21 (June 17, 2016), 81 FR 41142, 41146–47 (June 23, 2016) (File No. 10–222) (“IEX Approval Order”) (approving IEX application); Securities Exchange Act Release No. 102853 (April 11, 2025) (File No. 10–244), 90 FR 16207 (“GIX Exchange Approval Order”); Securities Exchange Act Release No. 101777 (November 27, 2024), 89 FR 97092 (File No. 10–242) (“24X Exchange Approval Order”); Securities Exchange Act Release No. 88808 (May 4, 2020), 85 FR 27451 (May 8, 2020) (File No. 10–237) (“MEMX Exchange Approval Order”);

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

³ 15 U.S.C. 78s(b)(1).

⁴ 17 CFR 240.19b–4.

⁵ Under the Act, the term “‘facility’ when used with respect to an exchange includes its premises, tangible or intangible property whether on the premises or not, any right to the use of such premises or property or any service thereof for the purpose of effecting or reporting a transaction on an exchange (including, among other things, any system of communication to or from the exchange, by ticker or otherwise, maintained by or with the consent of the exchange), and any right of the exchange to the use of any property or service.” See 15 U.S.C. 78(c)(a)(2).

⁶ See Securities Exchange Act Release No. 102190 (January 14, 2025), 90 FR 7205 (January 21, 2025), SR–IEX–2025–02 (“Initial Filing”); Securities

Exchange Act Release No. 34–102663, 90 FR 12890 (March 13, 2025), Amendment No. 1 (“IEX Options Trading Rules Proposal”), available at <https://www.iexexchange.io/resources/regulation/rule-filings>. Amendment No. 1 superseded and replaced the Initial Filing. On April 21, 2025, the Commission instituted proceedings to determine whether to disapprove the proposed rule change. Securities Exchange Act Release No. 34–102895 (April 21, 2025), 90 FR 17474 (April 25, 2025). On June 13, 2025, the Exchange filed Amendment No. 2, which superseded and replaced Amendment No. 1. On June 17, 2025, the Exchange withdrew Amendment No. 2 and filed Amendment No. 3, which superseded and replaced Amendment No. 2.

⁷ 17 CFR 240.19b–4(f)(6)(iii).

is designed to promote fair access and non-discriminatory standards for trading across investors, broker members, and other market participants. Nothing in this filing would impact the manner in which the Exchange's current market for continuous matching and execution of orders in equities operates.

Structure of the Company¹³

IEX Options would be a wholly-owned subsidiary of the Exchange, and the Exchange Board (as well as each committee thereof) would have the same authority, functions, and responsibilities with respect to IEX Options as the Board (and its committees) have with respect to the Exchange.¹⁴ Section 1(a) of proposed Art. III of the IEX Options LLC Agreement makes clear that the Board would have the authority "to do any and all acts necessary, convenient or incidental to or for the furtherance of" managing the business and affairs of the Company. In addition, the Board would have the authority to appoint, remove and replace the Company's officers, employees or agents, and the authority to delegate any of its powers to any officer, employee or agent, or any committee appointed pursuant to Article V of the Exchange LLC Operating Agreement.¹⁵ As a result, the Board's authority over and ability to manage the business and affairs of IEX Options would be equivalent to, and coextensive with, its authority with regard to managing the business and affairs of the Exchange. Accordingly, the proposed IEX Options LLC Agreement's governance provisions would be generally the same in all material respects as those provided in the Exchange LLC Agreement with the exception of certain conforming changes applicable only to IEX Options, for example, providing that the effective and operational dates in IEX Options LLC Agreement would refer to the effective and operational dates of IEX Options, not the Exchange.¹⁶

BSTX Facility Approval Order, *supra* note 10; Securities Exchange Act Release No. 68341 (December 3, 2012), 77 FR 73089 (December 7, 2012) (File No. 10-207) ("MIAX Exchange Approval Order"); Securities Exchange Act Release No. 53382 (February 27, 2006), 71 FR 11271, 11256 (SR-NYSE-2005-77) ("Order Approving NYSE's Merger with Archipelago Holdings").

¹³ References to "the Company" in the IEX Options LLC Agreement refer to IEX Options.

¹⁴ See proposed Art. III, Section 1(f) of the IEX Options LLC Agreement. The Board and each committee would continue to be selected and operate in accordance with the Exchange LLC Agreement.

¹⁵ See proposed Art. III, Section 1(a) of the IEX Options LLC Agreement.

¹⁶ See *id.*, proposed Art. VIII, Section 1.

As proposed, IEX Options' ownership structure would be substantially similar to that of its direct owner, the Exchange, but for minor variances and corporate formalities designed to maintain the separation of the organizational structure of IEX Options. For example, by virtue of being wholly owned by the Exchange which is in turn wholly owned by IEXG, IEX Options would have the same Commission-approved restrictions on ownership and voting interests as the Exchange and IEXG. These include ownership and voting limits that apply to the direct or indirect ownership and voting control of IEXG, as the Exchange's sole shareholder and IEX Options' sole indirect shareholder.¹⁷ They also include limits on the amount of IEXG stock that can be owned by any single Member.¹⁸ As a Facility of the Exchange, IEX Options would be subject to the provision of the IEX Rulebook with respect to ownership limitations applicable to Options Members.¹⁹

The day-to-day management of IEX Options would be conducted by the officers of IEX Options. In addition, the Chief Regulatory Officer ("CRO") of the Exchange, who reports to the Regulatory Oversight Committee ("ROC") of the Exchange's Board of Directors, would serve as the CRO of IEX Options. IEX Options' regulatory functions (such as disciplinary proceedings, membership matters, proposed rule changes, and other regulatory matters) performed by Exchange staff reporting to the CRO for the Exchange would be handled in the same manner for IEX Options. And with respect to the funding and capitalization of IEX Options, proposed Article IV, Section 4 of IEX Options LLC Agreement would specify that IEX

¹⁷ See Exchange LLC Agreement, *supra*, note 9, Section III.B.1, pp. 16-17. See Third Amended and Restated Certificate of Incorporation of IEX Group, Inc. ("IEXG Cert. of Incorp."), TENTH Section B(1), available at Governance | Resources | IEX Exchange | IEX. No person, either alone or together with related persons, may beneficially own more than 40% of any class of capital stock of IEXG.

¹⁸ See IEXG Cert. of Incorp., *supra* note 17. No Member, either alone or together with related persons, may own more than 20% of any class of capital stock of IEXG.

¹⁹ See IEX Rule 2.210 ("No Affiliation between Exchange and any Member"). Specifically, no person alone or together with related persons may own more than 40% of any class of stock in IEXG, unless the Board and the Commission approve a waiver. In addition, no Member of the Exchange alone or together with related persons may own more than 20% of any class of stock in IEXG unless the Commission approves otherwise. Further, no person, alone or together with related persons, may directly or indirectly vote or cause the voting of more than 20% of the voting power of the IEXG, unless the Board and the Commission approve a waiver. See IEXG Cert. of Incorp., TENTH Section B(2.2), *supra* note 17; IEX Approval Order, Section III.B.1, *supra* note 13.

Options and the Exchange have entered into an expense sharing agreement.

IEX has separately filed a proposed rule change to establish the trading rules for the IEX Options.²⁰ Upon effectiveness of all applicable rule filings filed with the Commission, IEX Options would begin operating as a Facility of the Exchange that IEX Members²¹ can qualify to use for the continuous matching and execution of orders in options. These proposals, as discussed herein, are based on established parameters that the Commission has historically applied to all national securities exchanges to ensure compliance with the requirements of the Act, particularly Section 6(b)(1),²² and are designed to ensure that IEX Options is able to carry out its regulatory obligations to enforce compliance by its members and persons associated with its members with, and to operate in a manner consistent with, the provisions of the Act, the rules and regulations thereunder, and the IEX Options Rules. Furthermore, all IEX rules are subject to review and approval by the Commission to ensure that they do not unfairly discriminate among member firms.²³

The Governance of the Company

The proposed governance rules are designed to help ensure the role of IEX Options, as a Facility of the Exchange, as a neutral platform to facilitate trading for others, as well as the independence of its regulatory function to discharge the oversight responsibilities under the Act. The IEX Options LLC Agreement provides that the Exchange's Board of Directors would oversee the business and affairs of IEX Options based on the applicable requirements for establishing and operating IEX Options as a Facility of the Exchange under Section 6 of the Act, including, that the IEX Options Rules shall be designed to protect investors and the public interest; and the Exchange shall be so organized and have the capacity to carry out the purposes of the Act and to enforce compliance by its members and persons associated with its members.

As proposed and discussed below, IEX Options would be subject to regulatory oversight by the Exchange's

²⁰ See IEX Options Trading Rules Proposal, *supra* note 6.

²¹ See IEX Rule 1.160(s). IEX intends to allow any Member of the Exchange to transact on IEX Options if they meet certain qualifications. See IEX Options Trading Rules Proposal, *supra* note 6, Rule 2.160 and Chapter 18.

²² 15 U.S.C. 78f(b)(1).

²³ 15 U.S.C. 78f(b)(5). See also Exchange LLC Agreement, *supra* note 9, Art. X, Section 1(a); and proposed Art. VII, Section 1(a) of the IEX Options LLC Agreement.

regulatory function. These provisions, including an independent regulatory program, “are designed to minimize the potential that a person or entity can improperly interfere with or restrict the ability of IEX to effectively carry out its regulatory oversight responsibilities under the Act.”²⁴ In addition, the IEX Options’ Rules “provide it with the ability to comply, and with the ability to enforce compliance by its members and persons associated with its members, with the provisions of the Act, the rules and regulations thereunder, and the rules of IEX.”²⁵ Further, the ownership and voting restrictions discussed above applicable to Options Members support these objectives by limiting the ability of one or more Options Members to interfere with or attempt to influence the ability of the Exchange to effectively carry out its regulatory oversight responsibilities under the Act.²⁶

As proposed, IEX Options would be a separate legal entity from the Exchange. In respect of the corporate form, IEX Options would be separately and adequately capitalized, with distinct assets, books and records, and other appropriate corporate formalities as compared to the Exchange. The discussion below describes the variances between the IEX Options and Exchange LLC Agreements, which the Exchange believes reflect minor changes and corporate governance formalities. Throughout the IEX Options LLC Agreement, references to the “LLC Member” would refer to the Exchange, instead of IEXG, as in the Exchange LLC Agreement. Additionally, references to the Board (or Board of Directors) would refer to the Exchange Board, just as they do in the Exchange LLC Agreement because IEX Options would not have its own Board of Directors.²⁷

References to meetings of the LLC Member in the Exchange LLC

Agreement²⁸ would, in the corresponding provisions of the IEX Options LLC Agreement, instead refer to meetings of the Board of Directors of the Exchange, rather than meetings of the Board of Directors of IEXG.²⁹ Article X of the Exchange LLC Agreement (“Exchange Authorities”) would, in the IEX Options LLC Agreement, be renumbered as Article VII and renamed as “Authorities of the Board over the Company as a Facility of the Exchange” to reflect that the IEX Options LLC Agreement describes the Board’s oversight of IEX Options as a Facility of the Exchange. Similarly, references to the Exchange in Article X of the Exchange LLC Agreement would, in the corresponding provisions of the IEX Options LLC Agreement, be changed to refer to the Company or the Company as a Facility of the Exchange, as applicable.³⁰

Most of Articles III (Board of Directors), IV (LLC Member), and V (Committees of the Board) of the Exchange LLC Agreement have not been replicated in the IEX Options LLC Agreement because, as proposed, IEX Options would not have its own separate board of directors and, as previously noted, the Board and each Board committee would have the same functions and responsibilities with respect to IEX Options as the Board and such committees have with respect to the Exchange.³¹ For the same reason, the Exchange proposes to not include in the IEX Options LLC Agreement other similar provisions that pertain specifically to the Board, such as the composition of the Board, terms of Directors, nomination and election of Directors, and vacancies of Directors.³²

²⁸ See Exchange LLC Agreement, *supra* note 9, Art. IV.

²⁹ See *id.*, proposed Art. III, Sections 2 and 3 of the IEX Options LLC Agreement.

³⁰ See *id.*, proposed Art. IV.

³¹ See *id.*, proposed Art. III, Section 1(f). The Exchange does propose to replicate Art. IV, Section 4 (Assignment) from the Exchange LLC Agreement, which provides that the LLC Member (*i.e.*, the Exchange) may not transfer or assign its ownership interest in IEX Options unless such transfer or assignment is approved by the Commission pursuant to Section 19 of the Exchange Act. See *id.*, proposed Art. III, Section 6 and proposed Art. VIII, Section 12.

³² Specifically, the Exchange is not proposing to adopt provisions in the IEX Options LLC Agreement that correspond to Art. III, Sections 2 through 13, and 16 of the Exchange LLC Agreement (Composition of the Board; Terms of Office; Nomination and Election; Chairman of the Board; Vacancies; Removal and Resignation; Place and Mode of [Board] Meetings; Exchange Member Meetings; Voting, Quorum and Action by the Board; Presumption of Assent; Action in Lieu of Meeting; Waiver of Notice; Compensation of Board and Committee Members) because there is no separate board for IEX Options. Pursuant to Art. III, Section 1(a), however, the Board shall have the power to do

However, Exchange LLC Agreement Article III, Sections 1(a)–(e), which pertain to governance, have been replicated in the IEX Options LLC Agreement, with edits to reflect that IEX Options is governed by the Exchange Board. For example, references to the Board have been changed to “LLC Member” to reflect that IEX Options does not have its own board and is fully owned and controlled by the Exchange and uses the Exchange Board.

The proposed IEX Options LLC Agreement would further provide that, in discharging his or her responsibilities as a member of the Board of Directors or as an officer or employee of IEX Options, each such director, officer or employee shall comply with the federal securities laws and the rules and regulations thereunder and shall cooperate with the Commission, the Exchange, and IEX Options pursuant to its regulatory authority.³³ The IEX Options LLC Agreement, where relevant and as set forth in more detail below, further describes the governance and oversight roles the Exchange and its Board would provide for IEX Options.³⁴

Proposed Article VIII, Section 1 of the IEX Options LLC Agreement establishes that IEX Options will not operate as a Facility of the Exchange until this rule filing is effective. In addition, the proposed IEX Options LLC Agreement would authorize the Board to adopt rules and amendments thereto that it “deem[s] necessary or appropriate pertaining to the Company as a Facility” and further provides that any such rules or amendments would become effective upon approval by the Commission or otherwise as provided in the Exchange Act, and the rules or amendments would become operative as of the date of Commission approval or effectiveness unless the Exchange declared a later operative date.³⁵

any and all acts necessary, convenient or incidental to or for the furtherance of managing the business and affairs of the Company. In addition, to the fullest extent permitted by applicable law, the IEX Options LLC Agreement, the Exchange LLC Agreement, and the IEX Options Rules, the Board would have the authority to appoint, remove and replace any officers, employees or agents of the Company, and may delegate any of its powers to a committee appointed pursuant to Art. V of the Exchange LLC Operating Agreement, or to any officer, employee, or agent of the Company.

³³ See proposed Art. III, Section 1(d) of the IEX Options LLC Agreement.

³⁴ See proposed Arts. III (Management), IV (Officers, Agents and Employees), and VII (Authorities of the Board over the Company as a Facility of the Exchange) of the IEX Options LLC Agreement.

³⁵ See proposed Art. VII, Section 1(a) of the IEX Options LLC Agreement.

²⁴ See IEX Approval Order, *supra* note 12, pp. 20–21 (stating that “[t]he Commission believes that IEX’s and IEXG’s proposed governance provisions are consistent with the Act, including Section 6(b)(1), which requires, in part, an exchange to be so organized and have the capacity to carry out the purposes of the Act.”).

²⁵ See IEX Approval Order, *supra* note 12, p. 81.

²⁶ See IEXG Cert. of Incorpor., *supra* note 17.

²⁷ As set forth above, IEX Options, as proposed, would not have its own Board of Directors, but rather will be governed by the Exchange’s Board of Directors. Therefore, the Articles of the Exchange LLC Agreement relating to the constitution, selection, and functions of the Board of Directors are not replicated in the IEX Options LLC Agreement. Instead, the proposed IEX Options LLC Agreement, where relevant, describes the manner in which the Exchange and its Board would provide governance and oversight of IEX Options. See, e.g., proposed Arts. III, IV and VII of the IEX Options LLC Agreement.

Regulatory Oversight

The Exchange believes that by leveraging the existing regulatory structure set forth in the Exchange LLC Agreement and proposed IEX Options LLC Agreement, the Exchange would be able to carry out its regulatory responsibilities for IEX Options in a manner consistent with the Exchange Act. The proposed IEX Options LLC Agreement creates a regulatory structure that is designed to ensure the independence of the Exchange's regulatory oversight over IEX Options as a Facility of the Exchange. Specifically, the IEX Options LLC Agreement would require that, in light of the unique nature of the Company as a Facility of the Exchange, the Board evaluate any proposal that comes before it by taking into account factors such as (i) the potential impact on the integrity of the national securities exchange; and (ii) whether the proposal promotes just and equitable principles of trade with respect to facilitating transactions in securities.³⁶

Article III, Section 1(d) of the IEX Options LLC Agreement would require the Board, in managing the business and affairs of the Company, to consider the applicable requirements for establishing and operating the Company as a Facility of the Exchange under Section 6 of the Exchange Act, including that the IEX Options Rules shall be designed to protect investors and the public interest, and that the Exchange shall be so organized and have the capacity to carry out the purposes of the Exchange Act and to enforce compliance by its "members" as that term is defined in Section 3 of the Exchange Act.

Article V, Section 6(c) of the Exchange LLC Agreement mandates that the Board's ROC, as part of its role in overseeing the adequacy and effectiveness of the Exchange's regulatory and SRO responsibilities, assess the Exchange's regulatory performance, and assist the Board and Board committees in reviewing the regulatory plan and the overall effectiveness of the Exchange's regulatory functions. The Exchange LLC Agreement also requires the Board take all steps reasonably necessary to ensure that the CRO and senior regulatory personnel are able to act independently of the commercial interests of the Exchange.³⁷ In addition, the Exchange

LLC Agreement establishes procedures for maintaining confidentiality of information and records relating to the SRO function, and prohibitions on the use of confidential regulatory information for any commercial or other non-regulatory purposes.³⁸ For example, proposed Article VIII, Section 4 of the IEX Options LLC Agreement, which is substantially similar to Article XI, Section 4, of the Exchange LLC Agreement, specifies that the Exchange shall have "complete and full access" to the books and records of the Company pertaining to the SRO function. These provisions would apply with equal force to the Exchange's regulatory oversight of the Company. The proposed IEX Options LLC Agreement provides that the Board and Board committees will have the same authority, functions, and responsibilities with respect to IEX Options as they do with respect to the Exchange.³⁹

In addition, the Exchange proposes certain differences between the IEX Options LLC and Exchange LLC Agreements to make clear that the Exchange would carry out regulatory functions and oversight of IEX Options as a Facility of the Exchange. For example, proposed Art. III, Section 1(d) of the IEX Options LLC Agreement specifies that, in connection with managing the business and affairs of the Company, the Board shall consider applicable requirements for establishing the Company as a Facility of the Exchange, whereas the corresponding provision in the Exchange LLC Agreement provides that the Board shall consider applicable requirements for registration as a national securities exchange (rather than as a facility). In addition, consistent with the Company operating as a Facility of the Exchange, the Exchange proposes to specify in proposed Article VIII, Section 4 of IEX Options LLC Agreement that the Exchange shall have complete and full access to the books and records of the Company, including those that relate to the Exchange's regulatory oversight of the Company.

As part of the Exchange's regulatory oversight of the Company, the Exchange CRO would also serve as the CRO of the Company as a Facility of the Exchange.⁴⁰ As specified in proposed Article IV, Section 9 of IEX Options LLC Agreement, the Exchange CRO "shall have general supervision of the

regulatory operations of the Company in the same manner as with respect to the Exchange, including responsibility for overseeing the surveillance, examination, and enforcement functions of the Exchange with respect to the Company and for administering any regulatory services agreements with another self-regulatory organization to which the Exchange is a party that pertain to the Company." As the senior executive and manager of the Exchange's regulation staff, the CRO is knowledgeable of the Exchange's rules, IEX Options' proposed rules, and the regulations applicable to them. Accordingly, the CRO is well positioned to help ensure that the Exchange, including the operation of IEX Options as a Facility of the Exchange, continues to be so organized and has the capacity to carry out the purposes of the Act, including to prevent inequitable and unfair practices.

Regulatory Jurisdiction Over Members

As a national securities exchange, IEX's operations are subject to ongoing SEC oversight, including reviews to determine that the Exchange is fulfilling its self-regulatory obligations. This comprehensive SEC oversight will extend to IEX Options as a Facility of the Exchange. The CRO would have responsibility for overseeing the surveillance, examination, and enforcement functions of the Exchange with respect to the Company.⁴¹ To assist it in complying with its regulatory obligations, the Exchange intends to update its existing regulatory services agreement ("RSA") with the Financial Industry Regulatory Authority ("FINRA")⁴² to engage FINRA to conduct IEX Options-related market surveillance, examination, investigation, and enforcement functions on IEX's behalf. The amended RSA would enable the Exchange to leverage FINRA's substantial regulatory resources and experience in fulfilling its regulatory obligations with respect to IEX Options. The Exchange would oversee FINRA's activities and would remain directly responsible for the discharge of its SRO duties with respect to IEX Options, as is the case today with respect to the Exchange.⁴³

In addition, prior to IEX Options' commencement of operations, the

³⁶ See proposed Art. III, Section 1(e) of the IEX Options LLC Agreement. The Exchange LLC Agreement has a similar provision regarding the Board's consideration of any proposal concerning the Exchange. See Exchange LLC Agreement, *supra* note 9, Art. III, Section 1(e).

³⁷ See Exchange LLC Agreement, *supra* note 9, Art. V, Section 6(c).

³⁸ See *id.*, Art. XI, Section 4.

³⁹ See proposed Art. III, Section 1(f) of the IEX Options LLC Agreement.

⁴⁰ See proposed Art. IV, Section 9 of the IEX Options LLC Agreement. IEX expects some, but potentially not all, of the officers of IEX Options would also be officers of the Exchange.

⁴¹ See proposed Art. IV, Section 9 of the IEX Options LLC Agreement.

⁴² See IEX Approval Order, *supra* note 12, Section III.B.4(b), pp. 29–30.

⁴³ See proposed Art. IV, Section 9 of the IEX Options LLC Agreement, which provides that the CRO would be responsible "for administering any regulatory services agreements . . . to which the Exchange is a party that pertain to the Company."

Exchange will join the existing options industry agreements pursuant to Section 17(d) of the Act.⁴⁴ Section 17(d) of the Exchange Act and the related Exchange Act rules permit SROs to allocate certain regulatory responsibilities to avoid duplicative oversight and regulation. Exchange Act Rule 17d-2⁴⁵ permits SROs to allocate among each other the responsibility to receive regulatory reports from, and examine and enforce compliance with the Exchange Act, the rules and regulations thereunder, and SRO rules by, firms that are members of more than one SRO. These agreements include the Options Sales Practices Agreement and the Options-Related Market Surveillance Agreement.⁴⁶ The Exchange and FINRA are also party to a bilateral Rule 17d-2 agreement that requires minor modifications due to the proposed launch of IEX Options. The Exchange intends to modify and seek Commission approval of the modified bilateral Rule 17d-2 agreement prior to commencing operations for IEX Options.

Regulatory Funds

“Regulatory Funds” would remain a defined term in proposed Article I of IEX Options LLC Agreement, but the definition would be modified to reflect that IEX Options would not have its own regulatory operations. Specifically, proposed Article II(t) defines “Regulatory Funds” as “fees, fines, or penalties derived from the regulatory operations of the Exchange in enforcing IEX Options Rules related to trading on or through the Company as a Facility of the Exchange. ‘Regulatory Funds’ shall not be construed to include revenues derived from listing fees, market data revenues, transaction revenues, or any other aspect of the commercial operations of the Exchange or the Company, even if a portion of such revenues are used to pay costs associated with the regulatory operations of the Company.”

Similarly, proposed Article VII, Section 4 of IEX Options LLC Agreement (“Fees, Dues, Assessments, and Other Charges”) is almost identical to Article X, Section 4 of the Exchange LLC Agreement, with the exception that the IEX Options LLC Agreement would provide that any regulatory funds resulting from enforcement of IEX Options Rules would be applied to fund the Exchange’s regulatory operations, including those pertaining to the Company as a Facility of the Exchange.

By contrast, the Exchange LLC Agreement does not permit the Exchange to distribute regulatory funds to its member, IEXG, because IEXG performs no regulatory services for the Exchange or any of its facilities. Because the Exchange would perform regulatory services, including enforcement of the options rules, on behalf of the Company as a Facility of the Exchange, the Exchange believes that it is appropriate that any regulatory funds resulting therefrom be applied to fund the Exchange’s regulatory operations.

2. Statutory Basis

The Exchange believes that this proposed rule change is consistent with Section 6(b) of the Act,⁴⁷ in general, and furthers the objectives of Section 6(b)(1),⁴⁸ in particular, in that it enables the Exchange, and the Company as a Facility of the Exchange, to be so organized so as to have the capacity to be able to carry out the purposes of the Act and to comply, and to enforce compliance by its Members—whether they trade on the Exchange, IEX Options, or both—with the provisions of the Act, the rules and regulations thereunder, and the rules of the Exchange.⁴⁹ The Exchange also believes that this filing furthers the objectives of Section 6(b)(5) of the Act⁵⁰ in that it is designed to facilitate transactions in securities, 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.

Specifically, the Exchange believes that the existing ownership and governance provisions, which have historically been applied to all national securities exchanges, and are designed to mitigate inherent conflicts of interest, support the Commission’s ability to find that the Company, as a Facility of the

Exchange, is so organized as to be able to meet the requirements of the Act.⁵¹ The Exchange believes the provisions discussed above in the Purpose section, limiting an Options Member to a maximum of 20% economic ownership and 20% voting ownership of IEXG, and by extension, the Exchange or IEX Options, unless the Commission approves otherwise, are consistent with the requirements of the Act.⁵² Further, consistent with ownership provisions that have been consistently approved by the Commission for IEX and other exchanges, provisions that limit any person, either alone or together with its related persons, from beneficially owning shares constituting more than 40% of any class of capital stock of the exchange or exchange owner, unless the Commission approves otherwise, are consistent with the Exchange Act, particularly Section 6(b)(1) thereof, which requires, in part, that an exchange be so organized and have the capacity to carry out the purposes of the Act. These ownership and voting limits provisions, which largely mirror those of other national securities exchanges, are designed to provide the Exchange and IEX Options as its Facility the ability to fairly and objectively carry out their regulatory responsibilities under the Act, particularly with Section 6(b)(1) of the Exchange Act,⁵³ by minimizing the potential that a person or entity could improperly interfere with the Exchange’s ability to carry out its regulatory oversight responsibilities under the Act.⁵⁴ Accordingly, the Exchange does not believe that this proposed structure, where an affiliated entity operates as a facility of a national securities exchange, raises any new or novel issues not already considered by the Commission.

The Exchange is the entity that will have and will exercise regulatory oversight of IEX Options. As discussed above, the Exchange believes that the requirement for Commission approval for certain changes in ownership will help to ensure the independence of the Exchange’s regulatory oversight of IEX Options and facilitate the ability of the

⁵¹ See *supra* note 12.

⁵² 15 U.S.C. 78f(b)(1); see IEX Approval Order, *supra* note 12, Section III.B.1; c.f. Securities Exchange Act Release No. 59281 (January 22, 2009), 74 FR 5014, 5018–19 (January 28, 2009) (SR–NYSE–2008–120) (“NYBX Order”) (Commission-approved exception to exchange membership ownership restrictions to allow a member firm to hold a 50% interest in a new facility of NYSE provided a number of restrictions, procedures, and internal controls were adhered to for the preservation of regulatory independence).

⁵³ 15 U.S.C. 78f(b)(1).

⁵⁴ See, e.g., GIX Approval Order, *supra* note 12, pp. 16–18.

⁴⁷ 15 U.S.C. 78f(b).

⁴⁸ 15 U.S.C. 78f(b)(1).

⁴⁹ See, e.g., GIX Exchange Approval Order, *supra* note 12, 90 FR at 16208 (“[T]he Commission shall by order grant an application for registration as a national securities exchange if the Commission finds, among other things, that the proposed exchange is so organized and has the capacity to carry out the purposes of the Act and can comply, and can enforce compliance by its members and persons associated with its members, with the provisions of the Act, the rules and regulations thereunder, and the rules of the exchange.”).

⁵⁰ 15 U.S.C. 78f(b)(5).

⁴⁴ 15 U.S.C. 78q(d).

⁴⁵ 17 CFR 240.17d-2.

⁴⁶ See IEX Options Trading Rules Proposal, *supra* note 6, 90 FR at 12906.

Exchange to carry out its regulatory responsibilities and operate in a manner consistent with the Act. The Exchange further believes these limits, which already apply to IEXG and the Exchange, continue to be appropriate in connection with IEX Options as a Facility of the Exchange, and are consistent with the requirements of the Act and Section 6(b)(1) thereof, which requires, in part, that an exchange be so organized and have the capacity to carry out the purposes of the Act.⁵⁵

Subject to the Exchange's independent regulatory oversight, the proposed Facility's directors, officers, and employees would have full independent authority to manage the development, operations, business and affairs of IEX Options.⁵⁶ As discussed in the Purpose section, the directors, officers, and employees of the Exchange and IEX Options must give due regard to the preservation of the independence of the self-regulatory functions of the Exchange and IEX Options, respectively, and must not take any action that would interfere with the effectuation of such regulatory functions (including disciplinary matters) or interfere with their ability to carry out their regulatory responsibilities under the Act.⁵⁷ In addition, the Exchange has an independent CRO who would oversee IEX Options' regulatory operations and who reports to the ROC. The Exchange believes these provisions, which are designed to maintain the independence of IEX Options' regulatory function, are appropriate and consistent with the requirements of the Act, particularly with Section 6(b)(1), which requires, in part, an exchange to be so organized and have the capacity to carry out the purposes of the Act.⁵⁸

Finally, the Exchange believes that the few variances between the IEX Options LLC Agreement and the Exchange LLC Agreement described in the Purpose section are consistent with the Exchange Act because they reflect minor changes and corporate formalities designed to maintain the separation of the organizational structure of IEX Options. The Exchange believes that IEX Options' organizational structure will allow it to promote just and equitable principles of trade while retaining the regulatory independence required to prevent fraudulent and manipulative acts and practices, all of which should perfect the mechanism of a free and

open market and a national market system that protects investors and the public interest.

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. Given the substantial growth of investors trading in standardized options,⁵⁹ the Exchange believes that providing a facility of a national securities exchange that can list and trade options issued by OCC, subject to transparent rules reviewed or approved by the Commission, allows for a well-regulated, competitive market for the trading of options. Moreover, as noted above, the provisions proposed herein are of the type that the Commission has required consistently of every national securities exchange that trades options.⁶⁰ Consequently, the Exchange does not believe that these provisions raise any new or novel issues not already considered by the Commission.

The Exchange does not believe that the proposed rule change will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. To the contrary, the proposal is designed to enhance IEX's competitiveness with other markets by creating a trading platform subject to SRO oversight on which options issued by OCC can be listed and traded. Moreover, other exchanges are free to adopt similar provisions subject to the Commission's rule filing process.

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

Written comments were neither solicited nor received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing proposed rule change does not:

⁵⁹ See, e.g., Staff Report on Equity and Options Market Structure Conditions in Early 2021, (Oct. 14, 2021) at 16 n. 52 (discussing the substantial increase of investors trading in options and noting that "[b]y the end of the first quarter of 2020, standardized listed options trading had grown to over 30 million contracts a day on average, more than 50% higher than the 19.6 million contracts per day traded in December 2019"), available at <https://www.sec.gov/files/staff-report-equity-options-market-structure-conditions-early-2021.pdf>.

⁶⁰ See, e.g., BSTX Exchange Approval Order, *supra* note 10; MIA Exchange Approval Order, *supra* note 12.

A. significantly affect the protection of investors or the public interest;

B. impose any significant burden on competition; and

C. 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) of the Act⁶¹ and Rule 19b-4(f)(6)⁶² thereunder.⁶³ 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-IEX-2025-17 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-IEX-2025-17. 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.

⁶¹ 15 U.S.C. 78s(b)(3)(A).

⁶² 17 CFR 240.19b-4(f)(6).

⁶³ 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 change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

⁵⁵ 15 U.S.C. 78f(b)(1).

⁵⁶ See proposed Art. IV, Sections 1, 5-13 of the IEX Options LLC Agreement.

⁵⁷ See, e.g., IEX Approval Order, *supra* note 12, pp. 21-25.

⁵⁸ 15 U.S.C. 78f(b)(1).

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–IEX–2025–17 and should be submitted on or before August 20, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁶⁴

Sherry R. Haywood,
Assistant Secretary.

[FR Doc. 2025–14360 Filed 7–29–25; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–103549; File No. SR–NYSE–2025–20]

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Designation of a Longer Period for Commission Action on a Proposed Rule Change Amending Section 302.00 of the NYSE Listed Company Manual

July 25, 2025.

On June 6, 2025, New York Stock Exchange LLC (the “Exchange”) filed with the Securities and Exchange Commission (the “Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),¹ and Rule 19b–4 thereunder,² a proposed rule change to exempt closed-end management investment companies registered under the Investment Company Act of 1940 from the requirement to hold annual shareholder meetings. The proposed rule change was published for comment in the **Federal Register** on June 17, 2025.³

Section 19(b)(2) of the Act⁴ provides that within 45 days of the publication of notice of the filing of a proposed rule change, or within such longer period up to 90 days as the Commission may designate if it finds such longer period to be appropriate and publishes its reason for so finding or as to which the self-regulatory organization consents, the Commission shall either approve the proposed rule change, disapprove the proposed rule change, or institute

proceedings to determine whether the proposed rule change should be disapproved. The 45th day after publication of the notice for this proposed rule change is August 1, 2025. The Commission is extending this 45-day time period.

The Commission finds it is appropriate to designate a longer period within which to take action on the proposed rule change so that it has sufficient time to consider the proposed rule change, the issues raised therein, and the comments received. Accordingly, the Commission, pursuant to Section 19(b)(2) of the Act,⁵ designates September 15, 2025, as the date by which the Commission shall either approve or disapprove, or institute proceedings to determine whether to disapprove, the proposed rule change (File No. SR–NYSE–2025–20).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁶

Sherry R. Haywood,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–103547; File No. SR–PEARL–2025–36]

Self-Regulatory Organizations: MIAx PEARL, LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Exchange Rule 519C, Mass Cancellation of Trading Interest, To Adopt a New Selective Liquidity Auto Purge (“SLAP”)

July 25, 2025.

Pursuant to the provisions of 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 15, 2025, MIAx PEARL, LLC (“MIAx Pearl” or the “Exchange”) filed with the Securities and Exchange Commission (“Commission”) a proposed rule change as described in Item II below, which Item has been prepared by MIAx Pearl. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

⁵ 15 U.S.C. 78s(b)(2).

⁶ 17 CFR 200.30–3(a)(31).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

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

The Exchange proposes to amend Exchange Rule 519C, Mass Cancellation of Trading Interest, to adopt new mass order cancellation functionality that will be available via the MEO Interface.³

The text of the proposed rule change is available on the Exchange’s website at <https://www.miaxglobal.com/markets/us-equities/pearl-equities/rule-filings> and at MIAx Pearl’s principal office.

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

In its filing with the Commission, MIAx Pearl 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. MIAx Pearl 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 Rule 519C, Mass Cancellation of Trading Interest, to adopt a new Selective Liquidity Auto Purge (“SLAP”) feature, which provides more granular mass cancellation functionality. Currently, Members ⁴ may submit a mass cancellation request via the MEO interface using the Liquidity Mass Cancel Request message. The Liquidity Mass Cancel Request message contains a Mass Cancel Scope field which allows the Member to determine the behavior following the mass cancellation of orders. For example, populating the Mass Cancel Scope field with an “A” will instruct the System ⁵ to cancel all open binary orders and block all subsequent binary orders

³ The term “MEO Interface” means a binary order interface used for submitting certain order types (as set forth in Rule 516) to the MIAx Pearl System. See Exchange Rule 100.

⁴ The term “Member” means an individual or organization that is registered with the Exchange pursuant to Chapter II of the MIAx PEARL Rules for purposes of trading on the Exchange as an “Electronic Exchange Member” or “Market Maker.” Members are deemed “members” under the Exchange Act. See Exchange Rule 100.

⁵ The term “System” means the automated trading system used by the Exchange for the trading of securities. See Exchange Rule 100.

⁶⁴ 17 CFR 200.30–3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

³ See Securities Exchange Act Release No. 103244 (June 12, 2025), 90 FR 25659. Comments on the proposed rule change are available at: <https://www.sec.gov/comments/sr-nyse-2025-20/srnyse202520.htm>.

⁴ 15 U.S.C. 78s(b)(2).