

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 41		SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4		File No. * SR 2025 - * 034 Amendment No. (req. for Amendments *)	
Filing by Cboe BYX Exchange, Inc. Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934					
Initial * <input checked="" type="checkbox"/>		Amendment * <input type="checkbox"/>		Withdrawal <input type="checkbox"/>	
Section 19(b)(2) * <input type="checkbox"/>		Section 19(b)(3)(A) * <input checked="" type="checkbox"/>		Section 19(b)(3)(B) * <input type="checkbox"/>	
Pilot <input type="checkbox"/>		Extension of Time Period for Commission Action * <input type="checkbox"/>		Date Expires * <input type="text"/>	
		Rule			
		<input type="checkbox"/> 19b-4(f)(1)		<input type="checkbox"/> 19b-4(f)(4)	
		<input checked="" type="checkbox"/> 19b-4(f)(2)		<input type="checkbox"/> 19b-4(f)(5)	
		<input type="checkbox"/> 19b-4(f)(3)		<input type="checkbox"/> 19b-4(f)(6)	
Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010 Section 806(e)(1) * <input type="checkbox"/>			Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934 Section 3C(b)(2) * <input type="checkbox"/>		
Exhibit 2 Sent As Paper Document <input type="checkbox"/>			Exhibit 3 Sent As Paper Document <input type="checkbox"/>		
Description Provide a brief description of the action (limit 250 characters, required when Initial is checked *). <div>The Exchange proposes to amend its Fee Schedule.</div>					
Contact Information Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action. First Name * Courtney Last Name * Smith Title * Senior Counsel E-mail * csmith@cboe.com Telephone * (913) 815-7046 Fax					
Signature Pursuant to the requirements of the Securities Exchange of 1934, Cboe BYX Exchange, Inc. has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized. Date 12/01/2025 (Title *) By Matthew Iwamaye VP, Associate General Counsel (Name *) <div>NOTE: Clicking the signature block at right will initiate digitally signing the form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.</div> <div>Matthew Iwamaye Date: 2025.12.01 10:33:24 -06'00'</div>					

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information *

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BYX-25-034 19b-4 (BYX Fees - Decer

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

Exhibit 1 - Notice of Proposed Rule Change *

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BYX-25-034 Exhibit 1 (December fees

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

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

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

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

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

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Exhibit Sent As Paper Document

Exhibit 3 - Form, Report, or Questionnaire

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

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Exhibit Sent As Paper Document

Exhibit 4 - Marked Copies

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

Exhibit 5 - Proposed Rule Text

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BYX-25-034 Exhibit 5 (December fees

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

Partial Amendment

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

Item 1. Text of the Proposed Rule Change

(a) Cboe BYX Exchange, Inc. (the “Exchange” or “BYX”) proposes to amend its Fee Schedule by: i) revising the volume component of Add/Remove Volume Tiers 1 – 2; ii) removing the shares component of Add/Remove Volume Tiers 1 – 2 and the Non-Displayed Tier and replacing it with a component that excludes a Member’s subdollar trading activity; iii) adding a criteria that excludes a Member’s subdollar trading activity to Add/Remove Volume Tiers 3 – 5; iv) removing the shares component of the Non-Displayed Tier and replacing it with a TCV component; v) and adding a criteria that excludes a Member’s subdollar trading activity to the Non-Displayed Tier; and vi) removing the Routing Tier. The text of the proposed rule change is provided in Exhibit 5.

(b) Not applicable.

(c) Not applicable.

Item 2. Procedures of the Self-Regulatory Organization

(a) The Exchange’s President (or designee) pursuant to delegated authority approved the proposed rule change on November 25, 2025.

(b) Please refer questions and comments on the proposed rule change to Pat Sexton, Executive Vice President, General Counsel, and Corporate Secretary, (312) 786-7467, or Courtney Smith, Senior Counsel, (913) 815-7046, Cboe BYX Exchange, Inc., 433 West Van Buren Street, Chicago, Illinois 60607.

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

(a) Purpose

The Exchange proposes to amend its Fee Schedule applicable to its equities trading platform (“BYX Equities”) by: i) revising the volume component of Add/Remove Volume Tiers 1 – 2; ii) removing the shares component of Add/Remove Volume Tiers 1 – 2 and replacing it with a component that excludes a Member’s subdollar trading activity; iii) adding a criteria that excludes a Member’s subdollar trading activity to Add/Remove Volume Tiers 3 – 5; iv) removing the shares component of the Non-Displayed Tier and replacing it with a TCV component; v) and adding a criteria that excludes a Member’s subdollar trading activity to the Non-Displayed Tier; and vi) removing the Routing Tier. The Exchange proposes to implement these changes effective December 1, 2025.

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 17 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,¹ no single registered equities exchange has more than 15% of the market share. Thus, in such a low-concentrated and highly competitive market, no single

¹ See Cboe Global Markets, U.S. Equities Market Volume Summary, Month-to-Date (November 21, 2025), available at https://www.cboe.com/us/equities/market_statistics/.

equities exchange possesses significant pricing power in the execution of order flow. The Exchange in particular operates a “Taker-Maker” model whereby it pays credits to members that remove liquidity and assesses fees to those that add liquidity. The Exchange’s Fee Schedule sets forth the standard rebates and rates applied per share for orders that remove and provide liquidity, respectively. Currently, for orders in securities priced at or above \$1.00, the Exchange provides a standard rebate of \$0.00200 per share for orders that remove liquidity and assesses a fee of \$0.00200 per share for orders that add liquidity.² For orders in securities priced below \$1.00, the Exchange does not assess any fees for orders that add liquidity, and provides a rebate in the amount of 0.10% of the total dollar value for orders that remove liquidity.³ 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 and Non-Displayed Tier

Under footnote 1 of the Fee Schedule, the Exchange currently offers various Add/Remove Volume Tiers. In particular, the Exchange offers five Add/Remove Volume Tiers that each provide a reduced fee for Members’ qualifying orders yielding fee codes

² See BYX Equities Fee Schedule, Standard Rates.

³ Id.

B,⁴ V,⁵ Y,⁶ and AD⁷ where a Member reaches certain volume-based criteria. First, the Exchange proposes to i) revise the volume component of Add/Remove Volume Tiers 1 – 2 and ii) remove the shares component of Add/Remove Volume Tiers 1 – 2 and replace it with a component that excludes a Member’s subdollar trading activity. The criteria for current Add/Remove Volume Tiers 1 – 2 is as follows:

- Add/Remove Volume Tier 1 assesses a reduced fee of \$0.0016 per share in securities priced at or above \$1.00 to qualifying orders (i.e., orders yielding fee codes B, V, Y, or AD) where 1) Member has a combined Auction ADV⁸ and ADAV⁹ \geq 0.10% of the TCV¹⁰ or 2) Member has a combined Auction ADV and ADAV \geq 11,000,000.
- Add/Remove Volume Tier 2 assesses a reduced fee of \$0.0014 per share in securities priced at or above \$1.00 to qualifying orders (i.e., orders yielding fee codes B, V, Y, or AD) where 1) Member has a combined Auction ADV and ADAV \geq 0.15% of the TCV or 2) Member has a combined Auction ADV and ADAV \geq 16,000,000.

The proposed criteria for current Add/Remove Volume Tiers 1 – 2 is as follows:

⁴ Fee code B is appended to displayed orders that add liquidity to BYX in Tape B securities.

⁵ Fee code V is appended to displayed orders that add liquidity to BYX in Tape A securities.

⁶ Fee code Y is appended to displayed orders that add liquidity to BYX in Tape C securities.

⁷ Fee code AD is appended to displayed orders executed in a Periodic Auction.

⁸ “Auction ADV” means average daily auction volume calculated as the number of shares executed in an auction per day.

⁹ “ADAV” means average daily added volume calculated as the number of shares added per day. ADAV is calculated on a monthly basis.

¹⁰ “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.

- Proposed Add/Remove Volume Tier 1 assesses a reduced fee of \$0.0016 per share in securities priced at or above \$1.00 to qualifying orders (i.e., orders yielding fee codes B, V, Y, or AD) where 1) Member has a combined Auction ADV and ADAV $\geq 0.075\%$ of the TCV or 2) Member has an Ex-Subdollar combined Auction ADV¹¹ and Ex-Subdollar ADAV¹² as a percentage of Ex-Subdollar TCV $\geq 0.075\%$.¹³
- Proposed Add/Remove Volume Tier 1 assesses a reduced fee of \$0.0016 per share in securities priced at or above \$1.00 to qualifying orders (i.e., orders yielding fee codes B, V, Y, or AD) where 1) Member has a combined Auction ADV and ADAV $\geq 0.10\%$ of the TCV or 2) Member has an Ex-Subdollar combined Auction ADV and Ex-Subdollar ADAV as a percentage of Ex-Subdollar TCV $\geq 0.10\%$.

In addition, the Exchange proposes to introduce a second criteria that excludes a Member's subdollar trading activity to Add/Remove Volume Tiers 3 – 5. The criteria for current Add/Remove Volume Tiers 3 – 5 is as follows:

- Add/Remove Volume Tier 3 assesses a reduced fee of \$0.0013 per share in securities priced at or above \$1.00 to qualifying orders (i.e., orders yielding

¹¹ The Exchange proposes to introduce the term “Ex-Subdollar Auction ADV” to the Definitions section of the Fee Schedule. “Ex-Subdollar Auction ADV” means Auction ADV that excludes executions in securities priced below \$1.00.

¹² 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.

¹³ 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.

fee codes B, V, Y, or AD) where Member has a combined Auction ADV and $ADAV \geq 0.30\%$ of the TCV.

- Add/Remove Volume Tier 4 assesses a reduced fee of \$0.0012 per share in securities priced at or above \$1.00 to qualifying orders (i.e., orders yielding fee codes B, V, Y, or AD) where Member has a combined Auction ADV and $ADAV \geq 0.60\%$ of the TCV.
- Add/Remove Volume Tier 5 assesses a reduced fee of \$0.0012 per share in securities priced at or above \$1.00 to qualifying orders (i.e., orders yielding fee codes B, V, Y, or AD) where MPID has a combined Auction ADV and $ADAV \geq 0.55\%$ of the TCV.

The proposed criteria for Add/Remove Volume Tiers 3 – 5 is as follows:

- Proposed Add/Remove Volume Tier 3 assesses a reduced fee of \$0.0013 per share in securities priced at or above \$1.00 to qualifying orders (i.e., orders yielding fee codes B, V, Y, or AD) where 1) Member has a combined Auction ADV and $ADAV \geq 0.30\%$ of the TCV or 2) Member has an Ex-Subdollar combined Auction ADV and Ex-Subdollar ADAV as a percentage of Ex-Subdollar $TCV \geq 0.30\%$.
- Proposed Add/Remove Volume Tier 4 assesses a reduced fee of \$0.0012 per share in securities priced at or above \$1.00 to qualifying orders (i.e., orders yielding fee codes B, V, Y, or AD) where Member has a combined Auction ADV and $ADAV \geq 0.60\%$ of the TCV or 2) Member has an Ex-Subdollar combined Auction ADV and Ex-Subdollar ADAV as a percentage of Ex-Subdollar $TCV \geq 0.60\%$.

- Proposed Add/Remove Volume Tier 5 assesses a reduced fee of \$0.0012 per share in securities priced at or above \$1.00 to qualifying orders (i.e., orders yielding fee codes B, V, Y, or AD) where MPID has a combined Auction ADV and $ADAV \geq 0.55\%$ of the TCV or 2) MPID has an Ex-Subdollar combined Auction ADV and Ex-Subdollar ADAV as a percentage of Ex-Subdollar TCV $\geq 0.55\%$.

Additionally, under footnote 1 of the Fee Schedule, the Exchange offers a Non-Displayed Tier that provides a reduced fee for Members' qualifying orders yielding fee codes AH¹⁴ and MM¹⁵ where a Member reaches certain volume-based criteria. First, the Exchange proposes to remove the shares component of the Non-Displayed Tier and replace it with a TCV component. In addition, the Exchange proposes to add a second prong of criteria that excludes a Member's subdollar trading activity to the Non-Displayed Tier. The criteria for the current Non-Displayed Tier is as follows:

- The Non-Displayed Tier assesses a reduced fee of \$0.0005 per share in securities priced at or above \$1.00 to qualifying orders (i.e., orders yielding fee codes B, V, Y, or AD) where Member has a combined Auction ADV and $ADAV \geq 5,000,000$.

The proposed criteria for the Non-Displayed Tier is as follows:

- The proposed Non-Displayed Tier assesses a reduced fee of \$0.0005 per share in securities priced at or above \$1.00 to qualifying orders (i.e., orders yielding fee codes B, V, Y, or AD) where 1) Member has a combined Auction ADV

¹⁴ Fee code AH is appended to non-displayed orders executed in a Periodic Auction.

¹⁵ Fee code MM is appended to non-displayed orders that add liquidity to BYX using Mid-Point Peg.

and $ADAV \geq 0.03\%$ of the TCV or 2) Member has a combined Ex-Subdollar Auction ADV and Ex-Subdollar ADAV as a percentage of Ex-Subdollar TCV $\geq 0.03\%$.

The proposed modification to the volume component of the first prong of criteria of Add/Remove Volume Tiers 1 – 2 represents a modest decrease in difficulty of one prong of criteria to achieve the applicable tier threshold while maintaining the existing fee. Additionally, the proposed modification to the volume component of the first prong of criteria of the Non-Displayed Tier seeks to align the criteria of the Non-Displayed Tier with the first prong of criteria applicable to the Add/Remove Volume Tiers while maintaining the existing fee. In each instance, the revised first prong of criteria is designed to match the percentage requirement in the proposed second prong of criteria and is commensurate with the reduced fee assessed if the criteria is satisfied.

While Auction ADV or ADAV 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 Auction ADV or ADAV as a percentage of TCV. The Exchange's proposed introduction of the Ex-Subdollar ADV and ADAV as a percentage of Ex-Subdollar TCV prong of criteria (the "Ex-Subdollar Criteria") in Add Volume Tiers 1 – 3 and Add Volume Tiers 5 – 7 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 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 – 3 and Add Volume Tiers 5 – 7 will introduce a new method of calculating ADAV as a percentage of TCV, exclusive of subdollar activity.¹⁶

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 (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

¹⁶ The Exchange notes that its affiliate exchange, Cboe BZX Exchange, Inc. ("BZX") offers the same method of calculating total equity volume and TCV for certain tiers in order to determine the appropriate fees and rebates for its Members. See BZX Equities Fee Schedule, Footnote 1, Add/Remove Volume Tiers. See also Securities Exchange Act Release No. 34-103500 (July 18, 2025), 90 FR 34705 (July 23, 2025), SR-CboeBZX-2025-091 ("BZX Fee Filing"). 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").

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.

Routing Tier

Under footnote 3 of the Fee Schedule, the Exchange currently offers a Routing Tier that provides an enhanced rebate for Members' qualifying orders yielding fee code C¹⁷ where certain volume-based criteria is met. The Exchange now proposes to delete the Routing Tier as the Exchange does not wish to, nor is required to, maintain such tier. More specifically, the proposed change removes this tier as the Exchange would rather redirect future resources and funding into other programs and tiers intended to incentivize increased order flow.

(b) 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.¹⁸ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹⁹ 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

¹⁷ Fee code C is appended to orders routed to NASDAQ BX using Destination Specific, TRIM or SLIM routing strategy.

¹⁸ 15 U.S.C. 78f(b).

¹⁹ 15 U.S.C. 78f(b)(5).

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)²⁰ 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)²¹ 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 proposed changes to the Add/Volume Tiers and Non-Displayed Tier 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,²² including the Exchange,²³ 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 equity exchanges

²⁰ Id.

²¹ 15 U.S.C. 78f(b)(4)

²² See e.g., BZX Equities Fee Schedule, Footnote 1, Add/Remove Volume Tiers.

²³ See e.g., BYX Equities Fee Schedule, Footnote 1, Add/Remove Volume Tiers.

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.

In particular, the Exchange believes its proposal to modify the Add/Remove Volume Tiers and Non-Displayed Tier is reasonable because the tiers will be available to all Members and provide all Members with an opportunity to receive a reduced fee should certain criteria be met. The Exchange further believes that the revised Add/Remove Volume Tiers and the revised Non-Displayed Tier will provide a reasonable means to encourage adding displayed and non-displayed orders in Members' order flow to the Exchange and to incentivize Members to continue to provide volume to the Exchange by offering them an additional opportunity to receive a reduced fee 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.

The Exchange believes proposed modified Add/Remove Volume Tiers and modified Non-Displayed Tier 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 proposal represents an equitable allocation of fees and rebates and is not unfairly discriminatory because all Members will be eligible for the revised tiers and have the opportunity to meet the tiers' criteria and receive the corresponding reduced fee if such criteria are met. Without having a view of activity on other markets and off-exchange venues, the Exchange has no way of knowing whether these proposed rule changes would definitely result in any Members qualifying for the new proposed tiers.

While the Exchange has no way of predicting with certainty how the proposed changes will impact Member activity, based on the prior months volume, the Exchange anticipates that at least three Members will be able to satisfy proposed Add/Remove Volume Tier 1, no Members will be able to satisfy proposed Add/Remove Volume Tier 2, no Members will be able to satisfy proposed Add/Remove Volume Tier 3, no Members will be able to satisfy proposed Add/Remove Volume Tier 4, no Members will be able to satisfy proposed Add/Remove Volume Tier 5, and at least nine Members will be able to satisfy the proposed Non-Displayed Tier. The Exchange also notes that the proposed changes will not adversely impact any Member's ability to qualify for reduced fees or enhanced rebates offered under other tiers. Should a Member not meet the proposed new criteria, the Member will merely not receive that corresponding reduced fee.

The Exchange believes that its proposal to eliminate the Routing Tier is reasonable because the Exchange is not required to maintain this tier nor is it required to provide Members an opportunity to receive enhanced rebates. The Exchange believes its proposal to eliminate this tier is also equitable and not unfairly discriminatory because it applies to all Members (i.e., the tier will not be available for any Member). The Exchange also notes that the proposed rule change to remove this tier merely results in Members not receiving an enhanced rebate, which, as noted above, the Exchange is not required to offer or maintain. Furthermore, the proposed rule change to eliminate the tier enables the Exchange to redirect resources and funding into other programs and tiers intended to incentivize increased order flow.

Item 4. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition 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 modified Add/Remove Volume Tiers and modified Non-Displayed Tier will apply to all Members equally in that all Members are eligible for the tiers and reduced fees, have a reasonable opportunity to meet the proposed tiers' criteria and will receive the reduced fee 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 BYX 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.

Additionally, the Exchange believes the proposed elimination of the current Routing Tier does not impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. Specifically, the proposed change to eliminate the current Routing Tier will not impose any burden on intramarket competition because the changes apply to all Members uniformly, as in, the tier will no longer be available to any Member.

Next, the Exchange believes the proposed rule changes does 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 15% of the market share.²⁴ 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

²⁴ Supra note 1.

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.”²⁵ 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’”²⁶ 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.

Item 5. 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.

Item 6. Extension of Time Period for Commission Action

Not applicable.

²⁵ See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005).

²⁶ *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)).

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

(a) The proposed rule change is filed for immediate effectiveness pursuant to Section 19(b)(3)(A) of the Act²⁷ and Rule 19b-4(f)(2)²⁸ thereunder.

(b) The Exchange designates that the proposed rule change establishes or changes a due, fee, or other charge imposed by the Exchange, which renders the proposed rule change effective upon filing with the Securities and Exchange Commission (the “Commission”). At any time within 60 days of the filing of this 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.

(c) Not applicable.

(d) Not applicable.

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

The proposed rule change is not based on a rule either of another self-regulatory organization or of the Commission.

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

Not applicable.

²⁷ 15 U.S.C. 78s(b)(3)(A).

²⁸ 17 CFR 240.19b-4(f)(2).

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

Not applicable.

Item 11. Exhibits

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

Exhibits 2-4. Not applicable.

Exhibit 5. Proposed rule text.

EXHIBIT 1**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34- ; File No. SR-CboeBYX-2025-034]

[Insert date]

Self-Regulatory Organizations; Cboe BYX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend the Exchange's Fee Schedule by Amending Certain Add/Remove Volume Tiers, Amending the Non-Displayed Tier, and Removing the Routing Tier

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on [insert date], Cboe BYX Exchange, Inc. (the "Exchange" or "BYX") filed with the Securities and Exchange Commission (the "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 BYX Exchange, Inc. (the "Exchange" or "BYX") proposes to amend its Fee Schedule by amending certain Add/Remove Volume Tiers, amending the Non-Displayed Tier, and removing the Routing Tier. The text of the proposed rule change is provided in Exhibit 5.

The text of the proposed rule change is also available on the Commission's website (<https://www.sec.gov/rules/sro.shtml>), the Exchange's website

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

(https://www.cboe.com/us/equities/regulation/rule_filings/bzx/), and at the principal office of the Exchange.

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 ("BYX Equities") by: i) revising the volume component of Add/Remove Volume Tiers 1 – 2; ii) removing the shares component of Add/Remove Volume Tiers 1 – 2 and replacing it with a component that excludes a Member's subdollar trading activity; iii) adding a criteria that excludes a Member's subdollar trading activity to Add/Remove Volume Tiers 3 – 5; iv) removing the shares component of the Non-Displayed Tier and replacing it with a TCV component; v) and adding a criteria that excludes a Member's subdollar trading activity to the Non-Displayed Tier; and vi) removing the Routing Tier. The Exchange proposes to implement these changes effective December 1, 2025.

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 17 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,³ no single registered equities exchange has more than 15% 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 “Taker-Maker” model whereby it pays credits to members that remove liquidity and assesses fees to those that add liquidity. The Exchange’s Fee Schedule sets forth the standard rebates and rates applied per share for orders that remove and provide liquidity, respectively. Currently, for orders in securities priced at or above \$1.00, the Exchange provides a standard rebate of \$0.00200 per share for orders that remove liquidity and assesses a fee of \$0.00200 per share for orders that add liquidity.⁴ For orders in securities priced below \$1.00, the Exchange does not assess any fees for orders that add liquidity, and provides a rebate in the amount of 0.10% of the total dollar value for orders that remove liquidity.⁵ 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

³ See Cboe Global Markets, U.S. Equities Market Volume Summary, Month-to-Date (November 21, 2025), available at https://www.cboe.com/us/equities/market_statistics/.

⁴ See BYX Equities Fee Schedule, Standard Rates.

⁵ Id.

Members to strive for higher tier levels, which provides increasingly higher benefits or discounts for satisfying increasingly more stringent criteria.

Add/Remove Volume Tiers and Non-Displayed Tier

Under footnote 1 of the Fee Schedule, the Exchange currently offers various Add/Remove Volume Tiers. In particular, the Exchange offers five Add/Remove Volume Tiers that each provide a reduced fee for Members' qualifying orders yielding fee codes B,⁶ V,⁷ Y,⁸ and AD⁹ where a Member reaches certain volume-based criteria. First, the Exchange proposes to i) revise the volume component of Add/Remove Volume Tiers 1 – 2 and ii) remove the shares component of Add/Remove Volume Tiers 1 – 2 and replace it with a component that excludes a Member's subdollar trading activity. The criteria for current Add/Remove Volume Tiers 1 – 2 is as follows:

- Add/Remove Volume Tier 1 assesses a reduced fee of \$0.0016 per share in securities priced at or above \$1.00 to qualifying orders (i.e., orders yielding fee codes B, V, Y, or AD) where 1) Member has a combined Auction ADV¹⁰ and $ADAV^{11} \geq 0.10\%$ of the TCV¹² or 2) Member has a combined Auction ADV and $ADAV \geq 11,000,000$ shares.

⁶ Fee code B is appended to displayed orders that add liquidity to BYX in Tape B securities.

⁷ Fee code V is appended to displayed orders that add liquidity to BYX in Tape A securities.

⁸ Fee code Y is appended to displayed orders that add liquidity to BYX in Tape C securities.

⁹ Fee code AD is appended to displayed orders executed in a Periodic Auction.

¹⁰ "Auction ADV" means average daily auction volume calculated as the number of shares executed in an auction per day.

¹¹ "ADAV" means average daily added volume calculated as the number of shares added per day. ADAV is calculated on a monthly basis.

¹² "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.

- Add/Remove Volume Tier 2 assesses a reduced fee of \$0.0014 per share in securities priced at or above \$1.00 to qualifying orders (i.e., orders yielding fee codes B, V, Y, or AD) where 1) Member has a combined Auction ADV and $ADAV \geq 0.15\%$ of the TCV or 2) Member has a combined Auction ADV and $ADAV \geq 16,000,000$ shares.

The proposed criteria for current Add/Remove Volume Tiers 1 – 2 is as follows:

- Proposed Add/Remove Volume Tier 1 assesses a reduced fee of \$0.0016 per share in securities priced at or above \$1.00 to qualifying orders (i.e., orders yielding fee codes B, V, Y, or AD) where 1) Member has a combined Auction ADV and $ADAV \geq 0.075\%$ of the TCV or 2) Member has a combined Ex-Subdollar Auction ADV¹³ and Ex-Subdollar ADAV¹⁴ as a percentage of Ex-Subdollar TCV $\geq 0.075\%$.¹⁵
- Proposed Add/Remove Volume Tier 1 assesses a reduced fee of \$0.0016 per share in securities priced at or above \$1.00 to qualifying orders (i.e., orders yielding fee codes B, V, Y, or AD) where 1) Member has a combined Auction ADV and $ADAV \geq 0.10\%$ of the TCV or 2) Member has a combined Ex-Subdollar Auction ADV and Ex-Subdollar ADAV as a percentage of Ex-Subdollar TCV $\geq 0.10\%$.

¹³ The Exchange proposes to introduce the term “Ex-Subdollar Auction ADV” to the Definitions section of the Fee Schedule. “Ex-Subdollar Auction ADV” means Auction ADV that excludes executions in securities priced below \$1.00.

¹⁴ 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.

¹⁵ 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.

In addition, the Exchange proposes to introduce a second criteria that excludes a Member's subdollar trading activity to Add/Remove Volume Tiers 3 – 5. The criteria for current Add/Remove Volume Tiers 3 – 5 is as follows:

- Add/Remove Volume Tier 3 assesses a reduced fee of \$0.0013 per share in securities priced at or above \$1.00 to qualifying orders (i.e., orders yielding fee codes B, V, Y, or AD) where Member has a combined Auction ADV and $ADAV \geq 0.30\%$ of the TCV.
- Add/Remove Volume Tier 4 assesses a reduced fee of \$0.0012 per share in securities priced at or above \$1.00 to qualifying orders (i.e., orders yielding fee codes B, V, Y, or AD) where Member has a combined Auction ADV and $ADAV \geq 0.60\%$ of the TCV.
- Add/Remove Volume Tier 5 assesses a reduced fee of \$0.0012 per share in securities priced at or above \$1.00 to qualifying orders (i.e., orders yielding fee codes B, V, Y, or AD) where MPID has a combined Auction ADV and $ADAV \geq 0.55\%$ of the TCV.

The proposed criteria for Add/Remove Volume Tiers 3 – 5 is as follows:

- Proposed Add/Remove Volume Tier 3 assesses a reduced fee of \$0.0013 per share in securities priced at or above \$1.00 to qualifying orders (i.e., orders yielding fee codes B, V, Y, or AD) where 1) Member has a combined Auction ADV and $ADAV \geq 0.30\%$ of the TCV or 2) Member has a combined Ex-Subdollar Auction ADV and Ex-Subdollar ADAV as a percentage of Ex-Subdollar TCV $\geq 0.30\%$.

- Proposed Add/Remove Volume Tier 4 assesses a reduced fee of \$0.0012 per share in securities priced at or above \$1.00 to qualifying orders (i.e., orders yielding fee codes B, V, Y, or AD) where Member has a combined Auction ADV and ADAV $\geq 0.60\%$ of the TCV or 2) Member has a combined Ex-Subdollar Auction ADV and Ex-Subdollar ADAV as a percentage of Ex-Subdollar TCV $\geq 0.60\%$.
- Proposed Add/Remove Volume Tier 5 assesses a reduced fee of \$0.0012 per share in securities priced at or above \$1.00 to qualifying orders (i.e., orders yielding fee codes B, V, Y, or AD) where MPID has a combined Auction ADV and ADAV $\geq 0.55\%$ of the TCV or 2) MPID has a combined Ex-Subdollar Auction ADV and Ex-Subdollar ADAV as a percentage of Ex-Subdollar TCV $\geq 0.55\%$.

Additionally, under footnote 1 of the Fee Schedule, the Exchange offers a Non-Displayed Tier that provides a reduced fee for Members' qualifying orders yielding fee codes AH¹⁶ and MM¹⁷ where a Member reaches certain volume-based criteria. First, the Exchange proposes to remove the shares component of the Non-Displayed Tier and replace it with a TCV component. In addition, the Exchange proposes to add a second prong of criteria that excludes a Member's subdollar trading activity to the Non-Displayed Tier. The criteria for the current Non-Displayed Tier is as follows:

- The Non-Displayed Tier assesses a reduced fee of \$0.0005 per share in securities priced at or above \$1.00 to qualifying orders (i.e., orders yielding

¹⁶ Fee code AH is appended to non-displayed orders executed in a Periodic Auction.

¹⁷ Fee code MM is appended to non-displayed orders that add liquidity to BYX using Mid-Point Peg.

fee codes B, V, Y, or AD) where Member has a combined Auction ADV and $ADAV \geq 5,000,000$.

The proposed criteria for the Non-Displayed Tier is as follows:

- The proposed Non-Displayed Tier assesses a reduced fee of \$0.0005 per share in securities priced at or above \$1.00 to qualifying orders (i.e., orders yielding fee codes B, V, Y, or AD) where 1) Member has a combined Auction ADV and $ADAV \geq 0.03\%$ of the TCV or 2) Member has a combined Ex-Subdollar Auction ADV and Ex-Subdollar ADAV as a percentage of Ex-Subdollar TCV $\geq 0.03\%$.

The proposed modification to the volume component of the first prong of criteria of Add/Remove Volume Tiers 1 – 2 represents a modest decrease in difficulty of one prong of criteria to achieve the applicable tier threshold while maintaining the existing fee. Additionally, the proposed modification to the volume component of the first prong of criteria of the Non-Displayed Tier seeks to align the criteria of the Non-Displayed Tier with the first prong of criteria applicable to the Add/Remove Volume Tiers while maintaining the existing fee. In each instance, the revised first prong of criteria is designed to match the percentage requirement in the proposed second prong of criteria and is commensurate with the reduced fee assessed if the criteria is satisfied.

While Auction ADV or ADAV 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 Auction ADV or ADAV as a percentage of TCV. The Exchange's proposed introduction of the Ex-Subdollar ADV and ADAV as a percentage of Ex-Subdollar TCV prong of criteria (the "Ex-Subdollar Criteria") in Add Volume Tiers 1 – 3 and Add Volume Tiers 5 – 7 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 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 – 3 and Add Volume Tiers 5 – 7 will introduce a new method of calculating ADAV as a percentage of TCV, exclusive of subdollar activity.¹⁸

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 (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

¹⁸ The Exchange notes that its affiliate exchange, Cboe BZX Exchange, Inc. ("BZX") offers the same method of calculating total equity volume and TCV for certain tiers in order to determine the appropriate fees and rebates for its Members. See BZX Equities Fee Schedule, Footnote 1, Add/Remove Volume Tiers. See also Securities Exchange Act Release No. 34-103500 (July 18, 2025), 90 FR 34705 (July 23, 2025), SR-CboeBZX-2025-091 ("BZX Fee Filing"). 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").

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.

Routing Tier

Under footnote 3 of the Fee Schedule, the Exchange currently offers a Routing Tier that provides an enhanced rebate for Members' qualifying orders yielding fee code C¹⁹ where certain volume-based criteria is met. The Exchange now proposes to delete the Routing Tier as the Exchange does not wish to, nor is required to, maintain such tier. More specifically, the proposed change removes this tier as the Exchange would rather redirect future resources and funding into other programs and tiers intended to incentivize increased order flow.

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.²⁰ Specifically, the Exchange believes the

¹⁹ Fee code C is appended to orders routed to NASDAQ BX using Destination Specific, TRIM or SLIM routing strategy.

²⁰ 15 U.S.C. 78f(b).

proposed rule change is consistent with the Section 6(b)(5)²¹ 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)²² 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)²³ 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 proposed changes to the Add/Volume Tiers and Non-Displayed Tier 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

²¹ 15 U.S.C. 78f(b)(5).

²² Id.

²³ 15 U.S.C. 78f(b)(4)

exchanges,²⁴ including the Exchange,²⁵ 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 equity 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.

In particular, the Exchange believes its proposal to modify the Add/Remove Volume Tiers and Non-Displayed Tier is reasonable because the tiers will be available to all Members and provide all Members with an opportunity to receive a reduced fee should certain criteria be met. The Exchange further believes that the revised Add/Remove Volume Tiers and the revised Non-Displayed Tier will provide a reasonable means to encourage adding displayed and non-displayed orders in Members' order flow to the Exchange and to incentivize Members to continue to provide volume to the Exchange by offering them an additional opportunity to receive a reduced fee 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.

The Exchange believes proposed modified Add/Remove Volume Tiers and modified Non-Displayed Tier are reasonable as they do not represent a significant

²⁴ See e.g., BZX Equities Fee Schedule, Footnote 1, Add/Remove Volume Tiers.

²⁵ See e.g., BYX Equities Fee Schedule, Footnote 1, Add/Remove Volume Tiers.

departure from the criteria currently offered in the Fee Schedule. The Exchange also believes that the proposal represents an equitable allocation of fees and rebates and is not unfairly discriminatory because all Members will be eligible for the revised tiers and have the opportunity to meet the tiers' criteria and receive the corresponding reduced fee if such criteria are met. Without having a view of activity on other markets and off-exchange venues, the Exchange has no way of knowing whether these proposed rule changes would definitely result in any Members qualifying for the new proposed tiers. While the Exchange has no way of predicting with certainty how the proposed changes will impact Member activity, based on the prior months volume, the Exchange anticipates that at least three Members will be able to satisfy proposed Add/Remove Volume Tier 1, no Members will be able to satisfy proposed Add/Remove Volume Tier 2, no Members will be able to satisfy proposed Add/Remove Volume Tier 3, no Members will be able to satisfy proposed Add/Remove Volume Tier 4, no Members will be able to satisfy proposed Add/Remove Volume Tier 5, and at least nine Members will be able to satisfy the proposed Non-Displayed Tier. The Exchange also notes that the proposed changes will not adversely impact any Member's ability to qualify for reduced fees or enhanced rebates offered under other tiers. Should a Member not meet the proposed new criteria, the Member will merely not receive that corresponding reduced fee.

The Exchange believes that its proposal to eliminate the Routing Tier is reasonable because the Exchange is not required to maintain this tier nor is it required to provide Members an opportunity to receive enhanced rebates. The Exchange believes its proposal to eliminate this tier is also equitable and not unfairly discriminatory because it applies to all Members (i.e., the tier will not be available for any Member). The Exchange

also notes that the proposed rule change to remove this tier merely results in Members not receiving an enhanced rebate, which, as noted above, the Exchange is not required to offer or maintain. Furthermore, the proposed rule change to eliminate the tier enables the Exchange to redirect resources and funding into other programs and tiers intended to incentivize increased order flow.

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 modified Add/Remove Volume Tiers and modified Non-Displayed Tier will apply to all Members equally in that all Members are eligible for the tiers and reduced fees, have a reasonable opportunity to meet the proposed tiers' criteria and will receive the reduced fee 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 BYX 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.

Additionally, the Exchange believes the proposed elimination of the current Routing Tier does not impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. Specifically, the proposed change to eliminate the current Routing Tier will not impose any burden on intramarket competition because the changes apply to all Members uniformly, as in, the tier will no longer be available to any Member.

Next, the Exchange believes the proposed rule changes does 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 15% of the market share.²⁶ 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

²⁶ Supra note 3.

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.”²⁷ 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’....”²⁸ 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.

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.

²⁷ See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005).

²⁸ *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)).

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 Act²⁹ and paragraph (f) of Rule 19b-4³⁰ 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-CboeBYX-2025-034 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.

²⁹ 15 U.S.C. 78s(b)(3)(A).

³⁰ 17 CFR 240.19b-4(f).

All submissions should refer to file number SR-CboeBYX-2025-034. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<https://www.sec.gov/rules/sro.shtml>). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-CboeBYX-2025-034 and should be submitted on or before [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.³¹

Sherry R. Haywood,

Assistant Secretary.

³¹ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

(additions are underlined; deletions are [bracketed])

* * * * *

Cboe U.S. Equities Fee Schedules**BYX Equities****Effective [November 19]December 1, 2025**

* * * * *

Definitions:

* * * * *

- “Auction ADV” means average daily auction volume calculated as the number of shares executed in an auction per day.
- “Ex-Subdollar Auction ADV” means Auction ADV that excludes executions in securities priced below \$1.00.
- “Ex-Subdollar ADAV” means ADAV that excludes executions in securities priced below \$1.00.
- “Ex-Subdollar TCV” means TCV that excludes executions in securities that have an average daily price below \$1.00.

* * * * *

Footnotes:

* * * * *

1. Add/Remove Volume Tiers

Applicable to the following fee codes: B, V, Y and AD.

Tier	Fee Per Share to Add	Required Criteria
Tier 1	\$0.0016	Member has a combined Auction ADV and ADAV \geq 0. [10] 075% of the TCV or Member has a combined <u>Ex-Subdollar Auction ADV and Ex-Subdollar ADAV as a percentage of Ex-Subdollar TCV \geq [11,000,000]0.075%.</u>
Tier 2	\$0.0014	Member has a combined Auction ADV and ADAV \geq 0. [15] 10% of the TCV or Member has a combined <u>Ex-Subdollar Auction ADV and Ex-Subdollar ADAV as a percentage of Ex-Subdollar TCV \geq [16,000,000]0.10%.</u>
Tier 3	\$0.0013	Member has a combined Auction ADV and ADAV \geq 0.30% of the TCV <u>or Member has a combined Ex-Subdollar Auction ADV and Ex-Subdollar ADAV as a percentage of Ex-Subdollar TCV \geq 0.30%.</u>
Tier 4	\$0.0012	Member has a combined Auction ADV and ADAV \geq 0.60% of the TCV <u>or Member has a combined Ex-Subdollar Auction ADV and Ex-Subdollar ADAV as a percentage of Ex-Subdollar TCV \geq 0.60%.</u>
Tier 5	\$0.0012	MPID has a combined Auction ADV and ADAV \geq 0.55% of the TCV <u>or Member has a combined Ex-Subdollar Auction ADV and Ex-Subdollar ADAV as a percentage of Ex-Subdollar TCV \geq 0.55%.</u>

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Applicable to the following fee codes: AH, MM.

Tier	Fee Per Share to Add	Required Criteria
Non-Displayed Tier	\$0.0005	Member has a combined Auction ADV and ADAV \geq [5,000,000] 0.03% of the TCV or Member has a combined <u>Ex-Subdollar Auction ADV and Ex-Subdollar ADAV as a percentage of Ex-Subdollar TCV \geq 0.03%.</u>

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3. **[Routing Tier]Reserved**

[Applicable to the fee code C.]

[Rebate Per Share to Route to NASDAQ BX Using Destination Specific or TRIM]	[Required Criteria]
[(\$0.0016)]	[Member has a combined Auction ADV and ADAV \geq 0.10% of the TCV.]

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