

1. Text of the Proposed Rule Change

(a) MEMX LLC (“MEMX” or the “Exchange”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”)¹ and Rule 19b-4 thereunder,² is filing with the Securities and Exchange Commission (the “Commission”) a proposal to amend its Rules to accommodate the listing of options series that would expire at the close of business on the last business day of a calendar month (“Monthly Options Series”). The Exchange has designated this proposal as non-controversial pursuant to Section 19(b)(3)(A)(iii) of the Act³ and provided the Commission with the notice required by Rule 19b-4(f)(6)(iii) thereunder.⁴

A notice of the proposed rule change for publication in the Federal Register is provided as Exhibit 1. The text of the proposed rule change is provided in Exhibit 5.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by Exchange staff pursuant to authority delegated to it by the Board of Directors of the Exchange (the “Board”). Exchange staff will advise the Board of any action taken pursuant to delegated authority. No other action is necessary for the filing of the proposed rule change.

The persons on the Exchange staff prepared to respond to questions and comments on the proposed rule change are:

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(6)(iii).

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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 Rules to accommodate the listing of options series that would expire at the close of business on the last business day of a calendar month (“Monthly Options Series”). Pursuant to proposed Rules 19.5, Interpretation and Policy .08(a) and 29.11(k)(1),⁵ the Exchange may list Monthly Options Series for up to five currently listed option classes that are either index options or options on exchange-traded funds (“ETFs”).⁶ In addition, the Exchange may also list Monthly Options Series on any options classes that are selected by other securities exchanges that employ a similar program under their respective rules.⁷ The Exchange may list 12 expirations for

⁵ The proposed rule change defines the term “Monthly Options series” in Rule 29.2(k) (and re-letters current paragraphs (k) through (o) to be (l) through (p)) as a series in an options class that is approved for listing and trading on the Exchange in which the series is opened for trading on any business day and that expires at the close of business on the last business day of a calendar month.

⁶ The Exchange proposes to amend Rule 19.5(a) and (b) to provide that proposed Rule 19.5, Interpretation and Policy .08 will describe how the Exchange will fix a specific expiration date and exercise price for Monthly Options Series and will govern the procedures for opening Monthly Options Series, respectively. The proposed change to Rule 19.5(a) is consistent with language in current Rule 19.5(a) for other Short Term Option Series and Quarterly Options Series. The proposed rule change also makes a non-substantive correction to pluralize the term “policy” (to become “policies”) to be consistent with the terminology in the Rules. Additionally, the proposed rule change adds to Rule 19.5(b) that Interpretation and Policies .04 and .05 will govern the procedures for opening Quarterly Options Series and Short Term Option Series, respectively (as well as adding exception language to the beginning of that paragraph). This is merely a clarification, as Rule 19.5, Interpretations and Policies .04 and .05 clearly govern the opening procedures for those options listing programs. This proposed change is also consistent with Cboe Exchange, Inc. (“Cboe Options”) Rule 4.5(b), which has similar options listing programs.

⁷ The Securities and Exchange Commission (the “Commission”) recently approved a Cboe Options proposed rule change to adopt a substantively identical Monthly Options Series program. See Securities Exchange Act Release No. 98915 (November 13, 2023) (SR-CBOE-2023-049) (“Cboe Options Approval Order”).

Monthly Options Series. Monthly Options Series need not be for consecutive months; however, the expiration date of a nonconsecutive expiration may not be beyond what would be considered the last expiration date if the maximum number of expirations were listed consecutively.⁸ Other expirations in the same class are not counted as part of the maximum numbers of Monthly Options Series expirations for a class.⁹ Monthly Options Series will be P.M.-settled.¹⁰

The strike price of each Monthly Options Series will be fixed at a price per share, with at least two, but no more than five, strike prices above and at least two, but no more than five, strike prices below the value of the underlying index or price of the underlying security at about the time that a Monthly Options Series is opened for trading on the Exchange. The Exchange will list strike prices for Monthly Options Series that are reasonably related to the current price of the underlying security or current index value of the underlying index to which such series relates at about the time such series of options is first opened for trading on the Exchange. The term “reasonably related to the current price of the underlying security or index value of the underlying index” means that the

⁸ The Exchange notes this provision considers consecutive monthly listings. In other words, as other expirations (such as Quarterly Options Series) are not counted as part of the maximum, those expirations would not be considered when considering when the last expiration date would be if the maximum number were listed consecutively. For example, if it is January 2024 and the Exchange lists Quarterly Options Series in class ABC with expirations in March, June, September, December, and the following March, the Exchange could also list Monthly Options Series in class ABC with expirations in January, February, April, May, July, August, October, and November 2024 and January and February of 2025. This is because, if Quarterly Options Series, for example, were counted, the Exchange would otherwise never be able to list the maximum number of Monthly Options Series. This is consistent with the listing provisions for Quarterly Options Series, which permit calendar quarter expirations. The need to list series with the same expiration in the current calendar year and the following calendar year (whether Monthly or Quarterly expiration) is to allow market participants to execute one-year strategies pursuant to which they may roll their exposures in the longer-dated options (e.g. January 2025) prior to the expiration of the nearer-dated option (e.g. January 2024).

⁹ See proposed Rules 19.5, Interpretation and Policy .08(b) and 29.11(k)(2).

¹⁰ See proposed Rules 19.5, Interpretation and Policy .08(c) and 29.11(k)(3).

exercise price is within 30% of the current underlying security price or index value.¹¹

Additional Monthly Options Series of the same class may be open for trading on the Exchange when the Exchange deems it necessary to maintain an orderly market, to meet customer demand, or when the market price of the underlying security moves substantially from the initial exercise price or prices. To the extent that any additional strike prices are listed by the Exchange, such additional strike prices will be within 30% above or below the closing price of the underlying index or security on the preceding day. The Exchange may also open additional strike prices of Monthly Options Series that are more than 30% above or below the current price of the underlying security, provided that demonstrated customer interest exists for such series, as expressed by institutional, corporate, or individual customers or their brokers. Market-Makers trading for their own account will not be considered when determining customer interest under this provision. The opening of the new Monthly Options Series will not affect the series of options of the same class previously opened.¹² The interval between strike prices on Monthly Options Series will be the same as the interval for strike prices for series in that same options class that expire in accordance with the normal monthly expiration cycle.¹³

¹¹ See proposed Rules 19.5, Interpretation and Policy .08(d) and 29.11(k)(4). The Exchange notes these proposed provisions are consistent with the initial series provision for the Quarterly Options Series program in Rule 29.11(g)(3). While different than the initial strike listing provision for the Quarterly Options Series program in current Rule 19.5, Interpretation and Policy .04(b), the Exchange believes the proposed provision is appropriate, as it contemplates classes that may have strike intervals of \$5 or greater. For consistency, the Exchange also proposes to amend Rule 19.5, Interpretation and Policy .04(b) to incorporate the same provision for initial series.

¹² See proposed Rules 19.5, Interpretation and Policy .08(e) and 29.11(k)(5).

¹³ See proposed Rules 19.5, Interpretation and Policy .08(f) and 29.11(k)(6); see also Rule 19.5(d), (f), (g) and Interpretations and Policies .01 – .03 and .06 (permissible strike prices for ETF classes) and Rule 29.11(c) (permissible strike prices for index options).

By definition, Monthly Options Series can never expire in the same week as a standard expiration series (which expire on the third Friday of a month) in the same class expires. The same, however, is not the case with regards to Short Term Option Series¹⁴ or Quarterly Options Series. Therefore, to avoid any confusion in the marketplace, the Exchange proposes to amend Rules 19.5, Interpretation and Policy .05 (introductory paragraph), (b), and (h) and 29.11(h) (introductory paragraph) and (2) to provide the Exchange will not list a Short Term Option Series in a class on a date on which a Monthly Options Series or Quarterly Options Series expires.¹⁵ Similarly, proposed Rules 19.5, Interpretation and Policy .08(b) and 29.11(k)(2) provide that no Monthly Options Series may expire on a date that coincides with an expiration date of a Quarterly Options Series in the same index or ETF class. In other words, the Exchange will not list a Short Term Option Series on an index or ETF if a Monthly Options Series on that index or ETF were to expire on the same date, nor will the Exchange list a Monthly Options Series on

¹⁴ The proposed rule change clarifies in Rule 29.11(a)(3) that index options have expiration months and weeks, which expirations may occur in consecutive weeks as specified in Rule 29.11(h). This is merely a clarification, as Rule 29.11(h) currently permits weekly expirations. This language is consistent with Cboe Options Rule 4.13(a)(2). Additionally, the proposed rule change adds to rule 29.11(a)(3) that index options may expire more than 12 months out as specified elsewhere in the Rule. This is consistent with current Rule 29.11(b), which permits long term index options to expire between 12 and 180 months after issuance, as well as proposed Rule 29.11(k)(2), as discussed above.

¹⁵ The Exchange also proposes to make a non-substantive change to Rules 19.5, Interpretation and Policy .05 and 29.11(h) to change current references to “monthly options series” to “standard expiration options series” (i.e., series that expire on the third Friday of a month), to eliminate potential confusion. The current references to “monthly options series” are intended to refer to those series that expire on the third Friday of a month, which are generally referred to in the industry as standard expirations. The proposed rule change also adds a heading to Rule 19.5, Interpretation and Policy .05 for consistency with other Interpretations and Policies in that Rule.

an ETF or index if a Quarterly Options Series on that index or ETF were to expire on the same date to prevent the listing of series with concurrent expirations.¹⁶

With respect to Monthly Options Series added pursuant to proposed Rules 19.5, Interpretation and Policy .08(a) through (f) and 29.11(k)(1) through (6), the Exchange will, on a monthly basis, review series that are outside a range of five strikes above and five strikes below the current price of the underlying index or security, and delist series with no open interest in both the put and the call series having a: (i) strike higher than the highest strike price with open interest in the put and/or call series for a given expiration month; and (ii) strike lower than the lowest strike price with open interest in the put and/or call series for a given expiration month. Notwithstanding this delisting policy, customer requests to add strikes and/or maintain strikes in Monthly Options Series in series eligible for delisting will be granted. In connection with this delisting policy, if the Exchange identifies series for delisting, the Exchange will notify other options exchanges with similar delisting policies regarding eligible series for delisting and will work with such other exchanges to develop a uniform list of series to be delisted, so as to ensure uniform series delisting of multiply listed Monthly Options Series.¹⁷

The Exchange believes that Monthly Options Series will provide investors with another flexible and valuable tool to manage risk exposure, minimize capital outlays, and

¹⁶ The Exchange notes this would not prevent the Exchange from listing a P.M.-settled Monthly Options Series on an index with the same expiration date as an A.M.-settled Short Term Option Series on the same index, both of which may expire on a Friday. In other words, the Exchange may list a P.M.-settled Monthly Options Series on an index concurrent with an A.M.-settled Short Term Option Series on that index and both of which expire on a Friday. The Exchange believes this concurrent listing would provide investors with yet another hedging mechanism and is reasonable given these series would not be identical (unlike if they were both P.M.-settled). This could not occur with respect to ETFs, as all Short Term Option Series on ETFs are P.M.-settled.

¹⁷ See proposed Rules 19.5, Interpretation and Policy .08(g) and 22.11(k)(7).

be more responsive to the timing of events affecting the securities that underlie option contracts. The Exchange believes limiting Monthly Options Series to five classes will ensure the addition of these new series will have a negligible impact on the Exchange's and the Options Price Reporting Authority's ("OPRA's") quoting capacity. The Exchange represents it has the necessary systems capacity to support new options series that will result from the introduction of Monthly Options Series.

The Exchange notes that Rules 18.7 and 29.5 through 29.7 regarding position limits will apply to Monthly Options Series. These Rules provide that the position limits fixed by MEMX Options¹⁸ and Cboe Options¹⁹ apply to options contracts traded on MEMX Options, which would include Monthly Options Series.²⁰ As noted above, Cboe Options recently received Commission approval to adopt a substantively identical Monthly Options Series Program as the one proposed in this rule filing.²¹ Pursuant to those recently approved Cboe Options rules, Monthly Options Series will be aggregated with positions in options contracts on the same underlying security or index.²² This is consistent with how position (and exercise) limits are currently imposed on series with other expirations (Short Term Option Series and Quarterly Options Series). Therefore,

¹⁸ See MEMX Rule 18.7.

¹⁹ See MEMX Rule 29.5.

²⁰ The Exchange issued Regulatory Notice 23-12 on September 14, 2023 which clarified its specific position limits applicable to options on the Exchange are those calculated and disseminated by the Options Clearing Corporation ("OCC"). See: <https://info.memxtrading.com/wp-content/uploads/2023/09/RegNotice-23-12-Options-Position-Limits.pdf>

²¹ See Cboe Options Approval Order.

²² See *id.*; see also Cboe Options Rules 8.30, Interpretation and Policy .09 (regarding position limits for options on stocks and ETFs), 8.31(e) (regarding position limits for broad-based index options), 8.32(f) (regarding position limits for industry index options), 8.33(c) (regarding position limits for micro and narrow-based indexes), and 8.34(c) (regarding position limits for individual stock or ETF based volatility index options). Pursuant to Cboe Options Rule 8.42 (and Exchange Rules 18.9 and 29.9), exercise limits for impacted index and ETF classes would be equal to the applicable position limits.

positions in options within a class of index or ETF options, regardless of their expirations, would continue to be subject to existing position (and exercise) limits. The Exchange believes this will address potential manipulative schemes and adverse market impacts surrounding the use of options.

The Exchange also represents its current surveillance programs will apply to Monthly Options Series and will properly monitor trading in the proposed Monthly Options Series. The Exchange currently lists Quarterly Options Series in certain ETF classes, which expire at the close of business at the end of four calendar months (i.e., the end of each calendar quarter), and has not experienced any market disruptions nor issues with capacity. The Exchange's surveillance programs currently in place to support and properly monitor trading in these Quarterly Options Series, as well as Short Term Option Series and standard expiration series, will apply to the proposed Monthly Options Series. The Exchange believes its surveillances continue to be designed to deter and detect violations of its Rules, including position and exercise limits and possible manipulative behavior, and these surveillances will apply to Monthly Options Series that the Exchange determines to list for trading. Ultimately, the Exchange does not believe the proposed rule change raises any unique regulatory concerns because existing safeguards — such as position and exercise limits (and the aggregation of options overlying the same index or ETF) and reporting requirements — would continue to apply.

b. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the Securities Exchange Act of 1934 (the “Act”) and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the

Act.²³ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)²⁴ 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)²⁵ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, the Exchange believes the introduction of Monthly Options Series will remove impediments to and perfect the mechanism of a free and open market and a national market system by expanding hedging tools available to market participants. The Exchange believes the proposed monthly expirations will allow market participants to transact in the index and ETF options listed pursuant to the proposed rule change based on their timing as needed and allow them to tailor their investment and hedging needs more effectively. Further, the Exchange believes the availability of Monthly Options Series would protect investors and the public interest by providing investors with more flexibility to closely tailor their investment and hedging decisions in these options, thus allowing them to better manage their risk exposure.

²³ 15 U.S.C. 78f(b).

²⁴ 15 U.S.C. 78f(b)(5).

²⁵ Id.

The Exchange believes the Quarterly Options Series Program has been successful to date and the proposed Monthly Options Series program simply expands the ability of investors to hedge risk against market movements stemming from economic releases or market events that occur at months' ends in the same way the Quarterly Options Series Program has expanded the landscape of hedging for quarter-end news. Monthly Options Series will also complement Short Term Option Series, which allow investors to hedge risk against events that occur throughout a month. The Exchange believes the availability of additional expirations should create greater trading and hedging opportunities for investors, as well as provide investors with the ability to tailor their investment objectives more effectively.

The Exchange notes the proposed terms of Monthly Options Series, including the limitation to five index and ETF option classes, are substantively the same as the current terms of Quarterly Options Series.²⁶ Quarterly Options Series expire on the last business day of a calendar quarter, which is the last business day of every third month. The proposed Monthly Options Series would fill the gaps between Quarterly Options Series expirations by permitting series to expire on the last business day of every month, rather than every third month. The proposed Monthly Options Series may be listed in accordance with the same terms as Quarterly Options Series, including permissible strikes.²⁷ As is the case with Quarterly Options Series, no Short Term Option Series may expire on the same day as a Monthly Options Series. Similarly, as proposed, no Monthly

²⁶ Compare proposed Rules 19.5, Interpretation and Policy .08 and 29.11(k) to Rules 19.5, Interpretation and Policy .04 and 29.11(g), respectively.

²⁷ The Exchange notes the proposed maximum number of expirations is consistent with the maximum number of expirations permitted for end-of-month series in index classes. See Rule 29.11(j)(2) (which references Rule 29.11(a)(3), which permits up to 12 standard monthly expirations on the majority of index options currently listed on the Exchange).

Options Series may expire on the same day as a Quarterly Options Series. The Exchange believes preventing listing series with concurrent expirations in a class will eliminate potential investor confusion and thus protect investors and the public interest. Given that Quarterly Options Series the Exchange currently lists are essentially Monthly Options Series that can expire at the end of only certain calendar months, the Exchange believes it is reasonable to list Monthly Options Series in accordance with the same terms, as it will promote just and equitable principles of trade. The Exchange believes limiting Monthly Options Series to five classes will ensure the addition of these new series will have a negligible impact on the Exchange's and OPRA's quoting capacity. The Exchange represents it has the necessary systems capacity to support new options series that will result from the introduction of Monthly Options Series.

The Exchange further believes the proposed rule change regarding the treatment of Monthly Options Series with respect to determining compliance with position and exercise limits is designed to prevent fraudulent and manipulative acts and practices and promote just and equitable principles of trade. Monthly Options Series will be aggregated with options overlying the same ETF or index for purposes of compliance with position (and exercise) limits, which is consistent with how position (and exercise) limits are currently imposed on series with other expirations (Short Term Option Series and Quarterly Options Series).²⁸ Therefore, options positions within ETF or index

²⁸ See Cboe Options Approval Order; see also Cboe Options Rules 8.30, Interpretation and Policy .09 (regarding position limits for options on stocks and ETFs), 8.31(e) (regarding position limits for broad-based index options), 8.32(f) (regarding position limits for industry index options), 8.33(c) (regarding position limits for micro narrow-based indexes), and 8.34(c) (regarding position limits for individual stock or ETF based volatility index options). Pursuant to Cboe Options Rule 8.42 (and Exchange Rules 18.9 and 29.9), exercise limits for impacted index and ETF classes would be equal to the applicable position limits.

option classes for which Monthly Options Series are listed, regardless of their expirations, would continue to be subject to existing position (and exercise) limits. The Exchange believes this will address potential manipulative schemes and adverse market impacts surrounding the use of options. The Exchange also represents its current surveillance programs will apply to Monthly Options Series and will properly monitor trading in the proposed Monthly Options Series. The Exchange currently trades Quarterly Options Series in certain ETF classes, which expire at the close of business at the end of four calendar months (i.e., the end of each calendar quarter), and has not experienced any market disruptions nor issues with capacity. The Exchange's surveillance programs currently in place to support and properly monitor trading in these Quarterly Options Series, as well as Short Term Option Series and standard expiration series, will apply to the proposed Monthly Options Series. The Exchange believes its surveillances continue to be designed to deter and detect violations of its Rules, including position and exercise limits and possible manipulative behavior, and these surveillances will apply to Monthly Options Series that the Exchange determines to list for trading. Ultimately, the Exchange does not believe the proposed rule change raises any unique regulatory concerns because existing safeguards — such as position and exercise limits (and the aggregation of options overlying the same ETF or index) and reporting requirements — would continue to apply.

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. The Exchange does not believe the proposed rule change to list Monthly Options Series will impose any burden on intramarket competition that is not necessary

or appropriate in furtherance of the purposes of the Act, as any Monthly Options Series the Exchange lists for trading will be available in the same manner for all market participants who wish to trade such options. The Exchange notes the proposed terms of Monthly Options Series, including the limitation to five index and ETF option classes, are substantively the same as the current terms of Quarterly Options Series.²⁹ Quarterly Options Series expire on the last business day of a calendar quarter, which is the last business day of every third month, making the concept of Monthly Options Series in a limited number of index and ETF options not novel. The proposed Monthly Options Series will fill the gaps between Quarterly Options Series expirations by permitting series to expire on the last business day of every month, rather than every third month. The proposed Monthly Options Series may be listed in accordance with the same terms as Quarterly Options Series, including permissible strikes.³⁰ Monthly Options Series will trade on the Exchange in the same manner as other options in the same class.

The Exchange does not believe the proposed rule change to list Monthly Options Series will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act, as nothing prevents other options exchanges from proposing similar rules.³¹ As discussed above, the proposed rule change would permit listing of Monthly Options Series in five index or ETF options, as well as any other classes that other exchanges may list under similar programs. To the extent that the availability of Monthly Options Series makes the Exchange a more attractive

²⁹ See Rules 19.5, Interpretation and Policy .04 and 29.11(g).

³⁰ See *supra* note 27.

³¹ As noted above, at least one other options exchange recently adopted a substantively identical Monthly Options Series program. See Cboe Options Approval Order.

marketplace to market participants at other exchanges, market participants are free to elect to become market participants on the Exchange.

The Exchange believes that the proposed rule change may relieve any burden on, or otherwise promote, competition. Similar to Short Term Option Series and Quarterly Options Series, the Exchange believes the introduction of Monthly Options Series will not impose an undue burden on competition. The Exchange believes that it will, among other things, expand hedging tools available to market participants. The Exchange believes Monthly Options Series will allow market participants to purchase options based on their timing as needed and allow them to tailor their investment and hedging needs more effectively.

The Exchange does not believe the proposed rule change regarding aggregation of positions for purposes of determining compliance with position (and exercise) limits will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act, because it will apply in the same manner to all market participants. The Exchange proposes to apply position (and exercise) limits to Monthly Options Series in the same manner it applies position limits to series with other expirations (Short Term Option Series and Quarterly Options Series). Therefore, positions in options in a class of ETF or index options, regardless of their expirations, would continue to be subject to existing position (and exercise) limits. Additionally, the Exchange does not believe this proposed rule change will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act, because it will address potential manipulative schemes and adverse market impacts surrounding the use of options.

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.

6. Extension of Time Period for Commission Action

Not applicable.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act³² and Rule 19b-4(f)(6) thereunder³³ in that it effects a change that: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii), by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest.

Furthermore, Rule 19b-4(f)(6)(iii)³⁴ 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.

The Exchange believes the proposed rule change will not significantly affect the protection of investors or the public interest because it will expand hedging tools available to market participants. The Exchange believes the proposed monthly

³² 15 U.S.C. 78s(b)(3)(A)(iii).

³³ 17 CFR 240.19b-4(f)(6).

³⁴ 17 CFR 240.19b-4(f)(6)(iii).

expirations will allow market participants to transact in the index and ETF options listed pursuant to the proposed rule change based on their timing as needed and allow them to tailor their investment and hedging needs more effectively. Further, the Exchange believes the availability of Monthly Options Series will provide investors with more flexibility to closely tailor their investment and hedging decisions in these options, thus allowing them to better manage their risk exposure. The Exchange believes the Quarterly Options Series Program has been successful to date and the proposed Monthly Options Series program simply expands the ability of investors to hedge risk against market movements stemming from economic releases or market events that occur at months' ends in the same way the Quarterly Options Series Program has expanded the landscape of hedging for quarter-end news. Monthly Options Series will also complement Short Term Option Series, which allow investors to hedge risk against events that occur throughout a month. The Exchange believes the availability of additional expirations should create greater trading and hedging opportunities for investors, as well as provide investors with the ability to tailor their investment objectives more effectively.

The Exchange further believes the proposed rule change will not significantly affect the protection of investors or the public interest, because the proposed rule change regarding the treatment of Monthly Options Series with respect to determining compliance with position and exercise limits is designed to prevent fraudulent and manipulative acts and practices, which ultimately benefits investors. Monthly Options Series will be aggregated with options overlying the same ETF or index for purposes of compliance with position (and exercise) limits, which is consistent with how position (and exercise) limits are currently imposed on series with other expirations (Short Term

Option Series and Quarterly Options Series).³⁵ Therefore, options positions within ETF or index option classes for which Monthly Options Series are listed, regardless of their expirations, would continue to be subject to existing position (and exercise) limits. The Exchange believes this will address potential manipulative schemes and adverse market impacts surrounding the use of options. The Exchange also represents its current surveillance programs will apply to Monthly Options Series and will properly monitor trading in the proposed Monthly Options Series. The Exchange currently trades Quarterly Options Series in certain ETF classes, which expire at the close of business at the end of four calendar months (i.e., the end of each calendar quarter), and has not experienced any market disruptions nor issues with capacity. The Exchange's surveillance programs currently in place to support and properly monitor trading in these Quarterly Options Series, as well as Short Term Option Series and standard expiration series, will apply to the proposed Monthly Options Series. The Exchange believes its surveillances continue to be designed to deter and detect violations of its Rules, including position and exercise limits and possible manipulative behavior, and these surveillances will apply to Monthly Options Series that the Exchange determines to list for trading. Ultimately, the Exchange does not believe the proposed rule change raises any unique regulatory concerns because existing safeguards — such as position and exercise limits (and the aggregation of

³⁵ See Cboe Options Approval Order; see also Cboe Options Rules 8.30, Interpretation and Policy .09 (regarding position limits for options on stocks and ETFs), 8.31(e) (regarding position limits for broad-based index options), 8.32(f) (regarding position limits for industry index options), 8.33(c) (regarding position limits for micro narrow-based indexes), and 8.34(c) (regarding position limits for individual stock or ETF based volatility index options). Pursuant to Cboe Options Rule 8.42 (and Exchange Rules 18.9 and 29.9), exercise limits for impacted index and ETF classes would be equal to the applicable position limits.

options overlying the same ETF or index) and reporting requirements — would continue to apply.

The Exchange also does not believe that the proposed rule change will impose any significant burden on competition, as any Monthly Options Series the Exchange lists for trading will be available in the same manner for all market participants who wish to trade such options. The Exchange notes the proposed terms of Monthly Options Series, including the permissible strikes³⁶ and the limitation to five index and ETF option classes, are substantively the same as the current terms of Quarterly Options Series.³⁷ The proposed Monthly Options Series will fill the gaps between Quarterly Options Series expirations by permitting series to expire on the last business day of every month, rather than every third month. Monthly Options Series will trade on the Exchange in the same manner as other options in the same class. Further, other options exchanges may adopt similar Monthly Options Programs, as they have done with respect to the Quarterly Options Program and the Short Term Option Series Program; at least one other options exchange had adopted a substantively identical Monthly Options Series Program.³⁸ As discussed above, the proposed rule change would permit listing of Monthly Options Series in five index or ETF options, as well as any other classes that other exchanges may list under similar programs. To the extent that the availability of Monthly Options Series makes the Exchange a more attractive marketplace to market participants at other exchanges, market participants are free to elect to become market participants on the Exchange. Similar to Short Term Option Series and Quarterly Options Series, the

³⁶ See supra note 27.

³⁷ See Rules 19.5, Interpretation and Policy .04 and 29.11(g).

³⁸ See Cboe Options Approval Order.

Exchange believes the introduction of Monthly Options Series will not impose an undue burden on competition. The Exchange believes that it will, among other things, expand hedging tools available to market participants. The Exchange believes Monthly Options Series will allow market participants to purchase options based on their timing as needed and allow them to tailor their investment and hedging needs more effectively.

The Exchange does not believe the proposed rule change regarding aggregation of positions for purposes of determining compliance with position (and exercise) limits will impose any significant burden on competition, because it will apply in the same manner to all market participants. The Exchange proposes to apply position (and exercise) limits to Monthly Options Series in the same manner it applies position limits to series with other expirations (Short Term Option Series and Quarterly Options Series). Therefore, positions in options in a class of ETF or index options, regardless of their expirations, would continue to be subject to existing position (and exercise) limits. The intent of this proposed rule change is to address potential manipulative schemes and adverse market impacts surrounding the use of options.

The proposed rule change is not novel. The proposed Monthly Options Series program is substantively the same as a Monthly Options Series program of Cboe Options that was recently approved by the Commission.³⁹ Additionally, the Exchange notes the proposed terms of Monthly Options Series, including permissible strikes⁴⁰ and the limitation to five index and ETF option classes, are substantively the same as the current terms of Quarterly Options Series.⁴¹ The proposed Monthly Options Series would fill the

³⁹ Id.

⁴⁰ See supra note 27.

⁴¹ See supra note 26.

gaps between Quarterly Options Series expirations by permitting series to expire on the last business day of every month, rather than every third month.

For the foregoing reasons, this rule filing qualifies as a “non-controversial” rule change under Rule 19b-4(f)(6), which renders the proposed rule change effective upon filing with 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.

The Exchange respectfully requests that the Commission the 30-day operative delay period after which a proposed rule change under Rule 19b-4(f)(6) becomes effective. As previously noted, Cboe Options recently received Commission approval of a substantively identical Monthly Options Series program.⁴² No comments to that filing were submitted during the public comment period. Therefore, given that the Commission has noticed for public comment a substantively identical filing and received no comments to such filing, the Exchange believes an operative delay is not necessary for this filing. Waiving the operative delay would permit the Exchange to immediately implement the Monthly Options Series Program, which will promote competition within the marketplace and benefit investors. Waiver of the operative delay is consistent with the protection of investors and the public interest because it would allow the Exchange to immediately offer an additional market to investors to trade Monthly Options Series and

⁴² See Cboe Options Approval Order.

to compete effectively with at least one other exchange that currently lists and trades the same options series.⁴³ Waiver of the operate delay would, therefore, enhance competition among exchanges by allowing Monthly Options Series to be traded on multiple exchanges and therefore expand the available pools of liquidity for investors to access.

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

The proposal is not novel and does not raise any unique issues, as it is substantively identical to the Cboe Options proposal approved by the Commission.⁴⁴

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

Not applicable.

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

Not applicable.

11. Exhibits

Exhibit 1. Form of Notice of the Proposed Rule Change for Publication in the Federal Register.

Exhibit 5. Proposed Rule Text.

⁴³ Id.

⁴⁴ Id.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34- ; File No. SR-MEMX-2023-37]

[Insert date]

Self-Regulatory Organizations; MEMX LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend the Exchange's Rules to Accommodate the Listing of Options Series that would Expire at the Close of Business on the Last Business Day of a Calendar Month ("Monthly Options Series")

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], MEMX LLC ("MEMX" or the "Exchange") 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 Exchange filed the proposal as a "non-controversial" proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act³ and Rule 19b-4(f)(6) thereunder.⁴ The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange is filing with the Commission a proposed rule change to amend its Rules to accommodate the listing of options series that would expire at the close of business on the last business day of a calendar month ("Monthly Options Series"). The text of the proposed rule change is provided in Exhibit 5.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4.

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 Rules to accommodate the listing of options series that would expire at the close of business on the last business day of a calendar month ("Monthly Options Series"). Pursuant to proposed Rules 19.5, Interpretation and Policy .08(a) and 29.11(k)(1),⁵ the Exchange may list Monthly Options Series for up to five currently listed option classes that are either index options or options on exchange-traded funds ("ETFs").⁶ In addition, the Exchange may also list Monthly Options Series on any options classes that are selected by other securities exchanges that employ a

⁵ The proposed rule change defines the term "Monthly Options series" in Rule 29.2(k) (and re-letters current paragraphs (k) through (o) to be (l) through (p)) as a series in an options class that is approved for listing and trading on the Exchange in which the series is opened for trading on any business day and that expires at the close of business on the last business day of a calendar month.

⁶ The Exchange proposes to amend Rule 19.5(a) and (b) to provide that proposed Rule 19.5, Interpretation and Policy .08 will describe how the Exchange will fix a specific expiration date and exercise price for Monthly Options Series and will govern the procedures for opening Monthly Options Series, respectively. The proposed change to Rule 19.5(a) is consistent with language in current Rule 19.5(a) for other Short Term Option Series and Quarterly Options Series. The proposed rule change also makes a non-substantive correction to pluralize the term "policy" (to become "policies") to be consistent with the terminology in the Rules. Additionally, the proposed rule change adds to Rule 19.5(b) that Interpretation and Policies .04 and .05 will govern the procedures for opening Quarterly Options Series and Short Term Option Series, respectively (as well as adding exception language to the beginning of that paragraph). This is merely a clarification, as Rule 19.5, Interpretations and Policies .04 and .05 clearly govern the opening procedures for those options listing programs. This proposed change is also consistent with Cboe Exchange, Inc. ("Cboe Options") Rule 4.5(b), which has similar options listing programs.

similar program under their respective rules.⁷ The Exchange may list 12 expirations for Monthly Options Series. Monthly Options Series need not be for consecutive months; however, the expiration date of a nonconsecutive expiration may not be beyond what would be considered the last expiration date if the maximum number of expirations were listed consecutively.⁸ Other expirations in the same class are not counted as part of the maximum numbers of Monthly Options Series expirations for a class.⁹ Monthly Options Series will be P.M.-settled.¹⁰

The strike price of each Monthly Options Series will be fixed at a price per share, with at least two, but no more than five, strike prices above and at least two, but no more than five, strike prices below the value of the underlying index or price of the underlying security at about the time that a Monthly Options Series is opened for trading on the Exchange. The Exchange will list strike prices for Monthly Options Series that are reasonably related to the current price of the underlying security or current index value of

⁷ The Securities and Exchange Commission (the “Commission”) recently approved a Cboe Options proposed rule change to adopt a substantively identical Monthly Options Series program. See Securities Exchange Act Release No. 98915 (November 13, 2023) (SR-CBOE-2023-049) (“Cboe Options Approval Order”).

⁸ The Exchange notes this provision considers consecutive monthly listings. In other words, as other expirations (such as Quarterly Options Series) are not counted as part of the maximum, those expirations would not be considered when considering when the last expiration date would be if the maximum number were listed consecutively. For example, if it is January 2024 and the Exchange lists Quarterly Options Series in class ABC with expirations in March, June, September, December, and the following March, the Exchange could also list Monthly Options Series in class ABC with expirations in January, February, April, May, July, August, October, and November 2024 and January and February of 2025. This is because, if Quarterly Options Series, for example, were counted, the Exchange would otherwise never be able to list the maximum number of Monthly Options Series. This is consistent with the listing provisions for Quarterly Options Series, which permit calendar quarter expirations. The need to list series with the same expiration in the current calendar year and the following calendar year (whether Monthly or Quarterly expiration) is to allow market participants to execute one-year strategies pursuant to which they may roll their exposures in the longer-dated options (e.g. January 2025) prior to the expiration of the nearer-dated option (e.g. January 2024).

⁹ See proposed Rules 19.5, Interpretation and Policy .08(b) and 29.11(k)(2).

¹⁰ See proposed Rules 19.5, Interpretation and Policy .08(c) and 29.11(k)(3).

the underlying index to which such series relates at about the time such series of options is first opened for trading on the Exchange. The term “reasonably related to the current price of the underlying security or index value of the underlying index” means that the exercise price is within 30% of the current underlying security price or index value.¹¹ Additional Monthly Options Series of the same class may be open for trading on the Exchange when the Exchange deems it necessary to maintain an orderly market, to meet customer demand, or when the market price of the underlying security moves substantially from the initial exercise price or prices. To the extent that any additional strike prices are listed by the Exchange, such additional strike prices will be within 30% above or below the closing price of the underlying index or security on the preceding day. The Exchange may also open additional strike prices of Monthly Options Series that are more than 30% above or below the current price of the underlying security, provided that demonstrated customer interest exists for such series, as expressed by institutional, corporate, or individual customers or their brokers. Market-Makers trading for their own account will not be considered when determining customer interest under this provision. The opening of the new Monthly Options Series will not affect the series of options of the same class previously opened.¹² The interval between strike prices on Monthly Options Series will be the same as the interval for strike prices for series in that same options

¹¹ See proposed Rules 19.5, Interpretation and Policy .08(d) and 29.11(k)(4). The Exchange notes these proposed provisions are consistent with the initial series provision for the Quarterly Options Series program in Rule 29.11(g)(3). While different than the initial strike listing provision for the Quarterly Options Series program in current Rule 19.5, Interpretation and Policy .04(b), the Exchange believes the proposed provision is appropriate, as it contemplates classes that may have strike intervals of \$5 or greater. For consistency, the Exchange also proposes to amend Rule 19.5, Interpretation and Policy .04(b) to incorporate the same provision for initial series.

¹² See proposed Rules 19.5, Interpretation and Policy .08(e) and 29.11(k)(5).

class that expire in accordance with the normal monthly expiration cycle.¹³

By definition, Monthly Options Series can never expire in the same week as a standard expiration series (which expire on the third Friday of a month) in the same class expires. The same, however, is not the case with regards to Short Term Option Series¹⁴ or Quarterly Options Series. Therefore, to avoid any confusion in the marketplace, the Exchange proposes to amend Rules 19.5, Interpretation and Policy .05 (introductory paragraph), (b), and (h) and 29.11(h) (introductory paragraph) and (2) to provide the Exchange will not list a Short Term Option Series in a class on a date on which a Monthly Options Series or Quarterly Options Series expires.¹⁵ Similarly, proposed Rules 19.5, Interpretation and Policy .08(b) and 29.11(k)(2) provide that no Monthly Options Series may expire on a date that coincides with an expiration date of a Quarterly Options Series in the same index or ETF class. In other words, the Exchange will not list a Short Term Option Series on an index or ETF if a Monthly Options Series on that index or ETF were to expire on the same date, nor will the Exchange list a Monthly Options Series on

¹³ See proposed Rules 19.5, Interpretation and Policy .08(f) and 29.11(k)(6); see also Rule 19.5(d), (f), (g) and Interpretations and Policies .01 – .03 and .06 (permissible strike prices for ETF classes) and Rule 29.11(c) (permissible strike prices for index options).

¹⁴ The proposed rule change clarifies in Rule 29.11(a)(3) that index options have expiration months and weeks, which expirations may occur in consecutive weeks as specified in Rule 29.11(h). This is merely a clarification, as Rule 29.11(h) currently permits weekly expirations. This language is consistent with Cboe Options Rule 4.13(a)(2). Additionally, the proposed rule change adds to rule 29.11(a)(3) that index options may expire more than 12 months out as specified elsewhere in the Rule. This is consistent with current Rule 29.11(b), which permits long term index options to expire between 12 and 180 months after issuance, as well as proposed Rule 29.11(k)(2), as discussed above.

¹⁵ The Exchange also proposes to make a non-substantive change to Rules 19.5, Interpretation and Policy .05 and 29.11(h) to change current references to “monthly options series” to “standard expiration options series” (i.e., series that expire on the third Friday of a month), to eliminate potential confusion. The current references to “monthly options series” are intended to refer to those series that expire on the third Friday of a month, which are generally referred to in the industry as standard expirations. The proposed rule change also adds a heading to Rule 19.5, Interpretation and Policy .05 for consistency with other Interpretations and Policies in that Rule.

an ETF or index if a Quarterly Options Series on that index or ETF were to expire on the same date to prevent the listing of series with concurrent expirations.¹⁶

With respect to Monthly Options Series added pursuant to proposed Rules 19.5, Interpretation and Policy .08(a) through (f) and 29.11(k)(1) through (6), the Exchange will, on a monthly basis, review series that are outside a range of five strikes above and five strikes below the current price of the underlying index or security, and delist series with no open interest in both the put and the call series having a: (i) strike higher than the highest strike price with open interest in the put and/or call series for a given expiration month; and (ii) strike lower than the lowest strike price with open interest in the put and/or call series for a given expiration month. Notwithstanding this delisting policy, customer requests to add strikes and/or maintain strikes in Monthly Options Series in series eligible for delisting will be granted. In connection with this delisting policy, if the Exchange identifies series for delisting, the Exchange will notify other options exchanges with similar delisting policies regarding eligible series for delisting and will work with such other exchanges to develop a uniform list of series to be delisted, so as to ensure uniform series delisting of multiply listed Monthly Options Series.¹⁷

The Exchange believes that Monthly Options Series will provide investors with another flexible and valuable tool to manage risk exposure, minimize capital outlays, and

¹⁶ The Exchange notes this would not prevent the Exchange from listing a P.M.-settled Monthly Options Series on an index with the same expiration date as an A.M.-settled Short Term Option Series on the same index, both of which may expire on a Friday. In other words, the Exchange may list a P.M.-settled Monthly Options Series on an index concurrent with an A.M.-settled Short Term Option Series on that index and both of which expire on a Friday. The Exchange believes this concurrent listing would provide investors with yet another hedging mechanism and is reasonable given these series would not be identical (unlike if they were both P.M.-settled). This could not occur with respect to ETFs, as all Short Term Option Series on ETFs are P.M.-settled.

¹⁷ See proposed Rules 19.5, Interpretation and Policy .08(g) and 22.11(k)(7).

be more responsive to the timing of events affecting the securities that underlie option contracts. The Exchange believes limiting Monthly Options Series to five classes will ensure the addition of these new series will have a negligible impact on the Exchange's and the Options Price Reporting Authority's ("OPRA's") quoting capacity. The Exchange represents it has the necessary systems capacity to support new options series that will result from the introduction of Monthly Options Series.

The Exchange notes that Rules 18.7 and 29.5 through 29.7 regarding position limits will apply to Monthly Options Series. These Rules provide that the position limits fixed by MEMX Options¹⁸ and Cboe Options¹⁹ apply to options contracts traded on MEMX Options, which would include Monthly Options Series.²⁰ As noted above, Cboe Options recently received Commission approval to adopt a substantively identical Monthly Options Series Program as the one proposed in this rule filing.²¹ Pursuant to those recently approved Cboe Options rules, Monthly Options Series will be aggregated with positions in options contracts on the same underlying security or index.²² This is consistent with how position (and exercise) limits are currently imposed on series with other expirations (Short Term Option Series and Quarterly Options Series). Therefore,

¹⁸ See MEMX Rule 18.7.

¹⁹ See MEMX Rule 29.5.

²⁰ The Exchange issued Regulatory Notice 23-12 on September 14, 2023 which clarified its specific position limits applicable to options on the Exchange are those calculated and disseminated by the Options Clearing Corporation ("OCC"). See: <https://info.memxtrading.com/wp-content/uploads/2023/09/RegNotice-23-12-Options-Position-Limits.pdf>

²¹ See Cboe Options Approval Order.

²² See *id.*; see also Cboe Options Rules 8.30, Interpretation and Policy .09 (regarding position limits for options on stocks and ETFs), 8.31(e) (regarding position limits for broad-based index options), 8.32(f) (regarding position limits for industry index options), 8.33(c) (regarding position limits for micro and narrow-based indexes), and 8.34(c) (regarding position limits for individual stock or ETF based volatility index options). Pursuant to Cboe Options Rule 8.42 (and Exchange Rules 18.9 and 29.9), exercise limits for impacted index and ETF classes would be equal to the applicable position limits.

positions in options within a class of index or ETF options, regardless of their expirations, would continue to be subject to existing position (and exercise) limits. The Exchange believes this will address potential manipulative schemes and adverse market impacts surrounding the use of options.

The Exchange also represents its current surveillance programs will apply to Monthly Options Series and will properly monitor trading in the proposed Monthly Options Series. The Exchange currently lists Quarterly Options Series in certain ETF classes, which expire at the close of business at the end of four calendar months (i.e., the end of each calendar quarter), and has not experienced any market disruptions nor issues with capacity. The Exchange's surveillance programs currently in place to support and properly monitor trading in these Quarterly Options Series, as well as Short Term Option Series and standard expiration series, will apply to the proposed Monthly Options Series. The Exchange believes its surveillances continue to be designed to deter and detect violations of its Rules, including position and exercise limits and possible manipulative behavior, and these surveillances will apply to Monthly Options Series that the Exchange determines to list for trading. Ultimately, the Exchange does not believe the proposed rule change raises any unique regulatory concerns because existing safeguards — such as position and exercise limits (and the aggregation of options overlying the same index or ETF) and reporting requirements – would continue to apply.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the Securities Exchange Act of 1934 (the “Act”) and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the

Act.²³ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)²⁴ 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)²⁵ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, the Exchange believes the introduction of Monthly Options Series will remove impediments to and perfect the mechanism of a free and open market and a national market system by expanding hedging tools available to market participants. The Exchange believes the proposed monthly expirations will allow market participants to transact in the index and ETF options listed pursuant to the proposed rule change based on their timing as needed and allow them to tailor their investment and hedging needs more effectively. Further, the Exchange believes the availability of Monthly Options Series would protect investors and the public interest by providing investors with more flexibility to closely tailor their investment and hedging decisions in these options, thus allowing them to better manage their risk exposure.

The Exchange believes the Quarterly Options Series Program has been

²³ 15 U.S.C. 78f(b).

²⁴ 15 U.S.C. 78f(b)(5).

²⁵ Id.

successful to date and the proposed Monthly Options Series program simply expands the ability of investors to hedge risk against market movements stemming from economic releases or market events that occur at months' ends in the same way the Quarterly Options Series Program has expanded the landscape of hedging for quarter-end news. Monthly Options Series will also complement Short Term Option Series, which allow investors to hedge risk against events that occur throughout a month. The Exchange believes the availability of additional expirations should create greater trading and hedging opportunities for investors, as well as provide investors with the ability to tailor their investment objectives more effectively.

The Exchange notes the proposed terms of Monthly Options Series, including the limitation to five index and ETF option classes, are substantively the same as the current terms of Quarterly Options Series.²⁶ Quarterly Options Series expire on the last business day of a calendar quarter, which is the last business day of every third month. The proposed Monthly Options Series would fill the gaps between Quarterly Options Series expirations by permitting series to expire on the last business day of every month, rather than every third month. The proposed Monthly Options Series may be listed in accordance with the same terms as Quarterly Options Series, including permissible strikes.²⁷ As is the case with Quarterly Options Series, no Short Term Option Series may expire on the same day as a Monthly Options Series. Similarly, as proposed, no Monthly Options Series may expire on the same day as a Quarterly Options Series. The Exchange

²⁶ Compare proposed Rules 19.5, Interpretation and Policy .08 and 29.11(k) to Rules 19.5, Interpretation and Policy .04 and 29.11(g), respectively.

²⁷ The Exchange notes the proposed maximum number of expirations is consistent with the maximum number of expirations permitted for end-of-month series in index classes. See Rule 29.11(j)(2) (which references Rule 29.11(a)(3), which permits up to 12 standard monthly expirations on the majority of index options currently listed on the Exchange).

believes preventing listing series with concurrent expirations in a class will eliminate potential investor confusion and thus protect investors and the public interest. Given that Quarterly Options Series the Exchange currently lists are essentially Monthly Options Series that can expire at the end of only certain calendar months, the Exchange believes it is reasonable to list Monthly Options Series in accordance with the same terms, as it will promote just and equitable principles of trade. The Exchange believes limiting Monthly Options Series to five classes will ensure the addition of these new series will have a negligible impact on the Exchange's and OPRA's quoting capacity. The Exchange represents it has the necessary systems capacity to support new options series that will result from the introduction of Monthly Options Series.

The Exchange further believes the proposed rule change regarding the treatment of Monthly Options Series with respect to determining compliance with position and exercise limits is designed to prevent fraudulent and manipulative acts and practices and promote just and equitable principles of trade. Monthly Options Series will be aggregated with options overlying the same ETF or index for purposes of compliance with position (and exercise) limits, which is consistent with how position (and exercise) limits are currently imposed on series with other expirations (Short Term Option Series and Quarterly Options Series).²⁸ Therefore, options positions within ETF or index option classes for which Monthly Options Series are listed, regardless of their expirations, would

²⁸ See Cboe Options Approval Order; see also Cboe Options Rules 8.30, Interpretation and Policy .09 (regarding position limits for options on stocks and ETFs), 8.31(e) (regarding position limits for broad-based index options), 8.32(f) (regarding position limits for industry index options), 8.33(c) (regarding position limits for micro narrow-based indexes), and 8.34(c) (regarding position limits for individual stock or ETF based volatility index options). Pursuant to Cboe Options Rule 8.42 (and Exchange Rules 18.9 and 29.9), exercise limits for impacted index and ETF classes would be equal to the applicable position limits.

continue to be subject to existing position (and exercise) limits. The Exchange believes this will address potential manipulative schemes and adverse market impacts surrounding the use of options. The Exchange also represents its current surveillance programs will apply to Monthly Options Series and will properly monitor trading in the proposed Monthly Options Series. The Exchange currently trades Quarterly Options Series in certain ETF classes, which expire at the close of business at the end of four calendar months (i.e., the end of each calendar quarter), and has not experienced any market disruptions nor issues with capacity. The Exchange's surveillance programs currently in place to support and properly monitor trading in these Quarterly Options Series, as well as Short Term Option Series and standard expiration series, will apply to the proposed Monthly Options Series. The Exchange believes its surveillances continue to be designed to deter and detect violations of its Rules, including position and exercise limits and possible manipulative behavior, and these surveillances will apply to Monthly Options Series that the Exchange determines to list for trading. Ultimately, the Exchange does not believe the proposed rule change raises any unique regulatory concerns because existing safeguards — such as position and exercise limits (and the aggregation of options overlying the same ETF or index) and reporting requirements – would continue to apply.

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. The Exchange does not believe the proposed rule change to list Monthly Options Series will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act, as any Monthly Options Series the Exchange lists for trading will be available in the same manner for all market

participants who wish to trade such options. The Exchange notes the proposed terms of Monthly Options Series, including the limitation to five index and ETF option classes, are substantively the same as the current terms of Quarterly Options Series.²⁹ Quarterly Options Series expire on the last business day of a calendar quarter, which is the last business day of every third month, making the concept of Monthly Options Series in a limited number of index and ETF options not novel. The proposed Monthly Options Series will fill the gaps between Quarterly Options Series expirations by permitting series to expire on the last business day of every month, rather than every third month. The proposed Monthly Options Series may be listed in accordance with the same terms as Quarterly Options Series, including permissible strikes.³⁰ Monthly Options Series will trade on the Exchange in the same manner as other options in the same class.

The Exchange does not believe the proposed rule change to list Monthly Options Series will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act, as nothing prevents other options exchanges from proposing similar rules.³¹ As discussed above, the proposed rule change would permit listing of Monthly Options Series in five index or ETF options, as well as any other classes that other exchanges may list under similar programs. To the extent that the availability of Monthly Options Series makes the Exchange a more attractive marketplace to market participants at other exchanges, market participants are free to elect to become market participants on the Exchange.

²⁹ See Rules 19.5, Interpretation and Policy .04 and 29.11(g).

³⁰ See *supra* note 27.

³¹ As noted above, at least one other options exchange recently adopted a substantively identical Monthly Options Series program. See Cboe Options Approval Order.

The Exchange believes that the proposed rule change may relieve any burden on, or otherwise promote, competition. Similar to Short Term Option Series and Quarterly Options Series, the Exchange believes the introduction of Monthly Options Series will not impose an undue burden on competition. The Exchange believes that it will, among other things, expand hedging tools available to market participants. The Exchange believes Monthly Options Series will allow market participants to purchase options based on their timing as needed and allow them to tailor their investment and hedging needs more effectively.

The Exchange does not believe the proposed rule change regarding aggregation of positions for purposes of determining compliance with position (and exercise) limits will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act, because it will apply in the same manner to all market participants. The Exchange proposes to apply position (and exercise) limits to Monthly Options Series in the same manner it applies position limits to series with other expirations (Short Term Option Series and Quarterly Options Series). Therefore, positions in options in a class of ETF or index options, regardless of their expirations, would continue to be subject to existing position (and exercise) limits. Additionally, the Exchange does not believe this proposed rule change will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act, because it will address potential manipulative schemes and adverse market impacts surrounding the use of options.

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

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

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(iii)³² of the Act and Rule 19b-4(f)(6) thereunder³³ in that it effects a change that: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest.

Furthermore, Rule 19b-4(f)(6)(iii)³⁴ 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.

The Exchange believes the proposed rule change will not significantly affect the protection of investors or the public interest because it will expand hedging tools available to market participants. The Exchange believes the proposed monthly expirations will allow market participants to transact in the index and ETF options listed pursuant to the proposed rule change based on their timing as needed and allow them to tailor their investment and hedging needs more effectively. Further, the Exchange believes the availability of Monthly Options Series will provide investors with more flexibility to closely tailor their investment and hedging decisions in these options, thus

³² 15 U.S.C. 78s(b)(3)(A)(iii).

³³ 17 CFR 240.19b-4(f)(6).

³⁴ 17 CFR 240.19b-4(f)(6)(iii).

allowing them to better manage their risk exposure. The Exchange believes the Quarterly Options Series Program has been successful to date and the proposed Monthly Options Series program simply expands the ability of investors to hedge risk against market movements stemming from economic releases or market events that occur at months' ends in the same way the Quarterly Options Series Program has expanded the landscape of hedging for quarter-end news. Monthly Options Series will also complement Short Term Option Series, which allow investors to hedge risk against events that occur throughout a month. The Exchange believes the availability of additional expirations should create greater trading and hedging opportunities for investors, as well as provide investors with the ability to tailor their investment objectives more effectively.

The Exchange further believes the proposed rule change will not significantly affect the protection of investors or the public interest, because the proposed rule change regarding the treatment of Monthly Options Series with respect to determining compliance with position and exercise limits is designed to prevent fraudulent and manipulative acts and practices, which ultimately benefits investors. Monthly Options Series will be aggregated with options overlying the same ETF or index for purposes of compliance with position (and exercise) limits, which is consistent with how position (and exercise) limits are currently imposed on series with other expirations (Short Term Option Series and Quarterly Options Series).³⁵ Therefore, options positions within ETF

³⁵ See Cboe Options Approval Order; see also Cboe Options Rules 8.30, Interpretation and Policy .09 (regarding position limits for options on stocks and ETFs), 8.31(e) (regarding position limits for broad-based index options), 8.32(f) (regarding position limits for industry index options), 8.33(c) (regarding position limits for micro narrow-based indexes), and 8.34(c) (regarding position limits for individual stock or ETF based volatility index options). Pursuant to Cboe Options Rule 8.42 (and Exchange Rules 18.9 and 29.9), exercise limits for impacted index and ETF classes would be equal to the applicable position limits.

or index option classes for which Monthly Options Series are listed, regardless of their expirations, would continue to be subject to existing position (and exercise) limits. The Exchange believes this will address potential manipulative schemes and adverse market impacts surrounding the use of options. The Exchange also represents its current surveillance programs will apply to Monthly Options Series and will properly monitor trading in the proposed Monthly Options Series. The Exchange currently trades Quarterly Options Series in certain ETF classes, which expire at the close of business at the end of four calendar months (i.e., the end of each calendar quarter), and has not experienced any market disruptions nor issues with capacity. The Exchange's surveillance programs currently in place to support and properly monitor trading in these Quarterly Options Series, as well as Short Term Option Series and standard expiration series, will apply to the proposed Monthly Options Series. The Exchange believes its surveillances continue to be designed to deter and detect violations of its Rules, including position and exercise limits and possible manipulative behavior, and these surveillances will apply to Monthly Options Series that the Exchange determines to list for trading. Ultimately, the Exchange does not believe the proposed rule change raises any unique regulatory concerns because existing safeguards — such as position and exercise limits (and the aggregation of options overlying the same ETF or index) and reporting requirements — would continue to apply.

The Exchange also does not believe that the proposed rule change will impose any significant burden on competition, as any Monthly Options Series the Exchange lists for trading will be available in the same manner for all market participants who wish to trade such options. The Exchange notes the proposed terms of Monthly Options Series,

including the permissible strikes³⁶ and the limitation to five index and ETF option classes, are substantively the same as the current terms of Quarterly Options Series.³⁷ The proposed Monthly Options Series will fill the gaps between Quarterly Options Series expirations by permitting series to expire on the last business day of every month, rather than every third month. Monthly Options Series will trade on the Exchange in the same manner as other options in the same class. Further, other options exchanges may adopt similar Monthly Options Programs, as they have done with respect to the Quarterly Options Program and the Short Term Option Series Program; at least one other options exchange had adopted a substantively identical Monthly Options Series Program.³⁸ As discussed above, the proposed rule change would permit listing of Monthly Options Series in five index or ETF options, as well as any other classes that other exchanges may list under similar programs. To the extent that the availability of Monthly Options Series makes the Exchange a more attractive marketplace to market participants at other exchanges, market participants are free to elect to become market participants on the Exchange. Similar to Short Term Option Series and Quarterly Options Series, the Exchange believes the introduction of Monthly Options Series will not impose an undue burden on competition. The Exchange believes that it will, among other things, expand hedging tools available to market participants. The Exchange believes Monthly Options Series will allow market participants to purchase options based on their timing as needed and allow them to tailor their investment and hedging needs more effectively.

The Exchange does not believe the proposed rule change regarding aggregation of

³⁶ See supra note 27.

³⁷ See Rules 19.5, Interpretation and Policy .04 and 29.11(g).

³⁸ See Cboe Options Approval Order.

positions for purposes of determining compliance with position (and exercise) limits will impose any significant burden on competition, because it will apply in the same manner to all market participants. The Exchange proposes to apply position (and exercise) limits to Monthly Options Series in the same manner it applies position limits to series with other expirations (Short Term Option Series and Quarterly Options Series). Therefore, positions in options in a class of ETF or index options, regardless of their expirations, would continue to be subject to existing position (and exercise) limits. The intent of this proposed rule change is to address potential manipulative schemes and adverse market impacts surrounding the use of options.

The proposed rule change is not novel. The proposed Monthly Options Series program is substantively the same as a Monthly Options Series program of Cboe Options that was recently approved by the Commission.³⁹ Additionally, the Exchange notes the proposed terms of Monthly Options Series, including permissible strikes⁴⁰ and the limitation to five index and ETF option classes, are substantively the same as the current terms of Quarterly Options Series.⁴¹ The proposed Monthly Options Series would fill the gaps between Quarterly Options Series expirations by permitting series to expire on the last business day of every month, rather than every third month.

For the foregoing reasons, this rule filing qualifies as a “non-controversial” rule change under Rule 19b-4(f)(6), which renders the proposed rule change effective upon filing with 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

³⁹ Id.

⁴⁰ See supra note 27.

⁴¹ See supra note 26.

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.

The Exchange respectfully requests that the Commission the 30-day operative delay period after which a proposed rule change under Rule 19b-4(f)(6) becomes effective. As previously noted, Cboe Options recently received Commission approval of a substantively identical Monthly Options Series program.⁴² No comments to that filing were submitted during the public comment period. Therefore, given that the Commission has noticed for public comment a substantively identical filing and received no comments to such filing, the Exchange believes an operative delay is not necessary for this filing. Waiving the operative delay would permit the Exchange to immediately implement the Monthly Options Series Program, which will promote competition within the marketplace and benefit investors. Waiver of the operative delay is consistent with the protection of investors and the public interest because it would allow the Exchange to immediately offer an additional market to investors to trade Monthly Options Series and to compete effectively with at least one other exchange that currently lists and trades the same options series.⁴³ Waiver of the operate delay would, therefore, enhance competition among exchanges by allowing Monthly Options Series to be traded on multiple exchanges and therefore expand the available pools of liquidity for investors to access.

IV. Solicitation of Comments

⁴² See Cboe Options Approval Order.

⁴³ Id.

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-MEMX-2023-37 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-MEMX-2023-37. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<https://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street NE, Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of the filing also will be available for inspection and copying at the principal

office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-MEMX-2023-37 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.⁴⁴

Sherry R. Haywood,

Assistant Secretary.

⁴⁴ 17 CFR 200.30-3(a)(12).

Exhibit 5

Proposed new language is underlined; Proposed deletions are in [brackets].

* * * * *

Rule 19.5 Series of Options Contracts Open for Trading

(a) After a particular class of options has been approved for listing and trading on MEMX Options by the Exchange, the Exchange from time to time may open for trading series of options in that class. Only options contracts in series of options currently open for trading may be purchased or written on MEMX Options. Prior to the opening of trading in a given series, the Exchange will fix the expiration month, year and exercise price of that series. For Quarterly Options Series and Short Term Option Series, the Exchange will fix a specific expiration date and exercise price, as provided in Interpretations and Policies .04 and .05, respectively. For Monthly Options Series, the Exchange will fix a specific expiration date and exercise price, as provided in Interpretation and Policy .08.

(b) Except for Short Term Option Series, Monthly Options Series, and Quarterly Options Series, [A]at the commencement of trading on MEMX Options of a particular class of options, MEMX Options will open a minimum of one (1) series of options in that class. The exercise price of the series will be fixed at a price per share, relative to the underlying stock price in the primary market at about the time that class of options is first opened for trading on MEMX Options. Interpretation and Policy .04 will govern the procedures for opening Quarterly Options Series. Interpretation and Policy .05 will govern the procedures for opening Short Term Option Series. Interpretation and Policy .08 will govern the procedures for opening Monthly Options Series.

* * * * *

Interpretations and Policies

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.04 Quarterly Options Series Program: The Exchange may list and trade P.M. settled options series that expire at the close of business on the last business day of a calendar quarter (“Quarterly Options Series”). The Exchange may list Quarterly Options Series for up to five (5) currently listed options classes that are either index options or options on exchange traded funds (“ETF”). In addition, the Exchange may also list Quarterly Options Series on any options classes that are selected by other securities exchanges that employ a similar program under their respective rules.

(a) No change.

(b) Initial Series. [The strike price of each Quarterly Options Series will be fixed at a price per share, with at least two strike prices above and two strike prices below the value of the underlying security at about the time that a Quarterly Options Series is opened for trading on the

Exchange. The Exchange shall list strike prices for a Quarterly Options Series that are within \$5 from the closing price of the underlying on the preceding day.] The strike price of each Quarterly Options Series will be fixed at a price per share, with at least two, but no more than five, strike prices above and at least two, but no more than five, strike prices below the value of the underlying index or price of the underlying security at about the time that a Quarterly Options Series is opened for trading on the Exchange. The Exchange will list strike prices for Quarterly Options Series that are reasonably related to the current price of the underlying security or current index value of the underlying index to which such series relates at about the time such series of options is first opened for trading on the Exchange. The term “reasonably related to the current price of the underlying security or index value of the underlying index” means that the exercise price is within 30% of the current underlying security price or index value.

* * * * *

.05 Short Term Option Series Program. After an option class has been approved for listing and trading on MEMX Options, the Exchange may open for trading on any Thursday or Friday that is a business day (“Short Term Option Opening Date”) series of options on that class that expire on each of the next five (5) Fridays that are business days and are not Fridays in which standard expiration options series, [m]Monthly [o]Options [s]Series, or Quarterly Options Series expire (“Friday Short Term Option Expiration Dates”). The Exchange may have no more than a total of five Friday Short Term Option Expiration Dates (“Short Term Options Weekly Expirations”). If MEMX Options is not open for business on the respective Thursday or Friday, the Short Term Option Opening Date for Short Term Weekly Expirations will be the first business day immediately prior to that respective Thursday or Friday. Similarly, if MEMX Options is not open for business on the Friday that the options are set to expire, the Short Term Option Expiration Date for Short Term Option Weekly Expirations will be the first business day immediately prior to that Friday. Regarding Short Term Option Series:

(a) No change.

(b) With the exception of Short Term Option Daily Expirations, no Short Term Option Series may expire in the same week in which [monthly]standard expiration option series on the same class expire or, in the case of Monthly Options Series and Quarterly Options Series, on an expiration that coincides with an expiration of a Monthly Options Series or Quarterly Options Series, respectively, on the same class.

* * * * *

(h) *Short Term Option Daily Expirations.*

In addition to the above, the Exchange may open for trading series of options on the symbols provided in Table 1 below that expire at the close of business on each of the next two Mondays, Tuesdays, Wednesdays, and Thursdays, respectively, that are business days beyond the current week and are not business days on which standard expiration options series, [m]Monthly [o]Options [s]Series, or Quarterly Options Series expire (“Short Term Option Daily Expirations”). The Exchange may have no more than a total of two Short Term Option Daily

Expirations beyond the current week for each of Monday, Tuesday, Wednesday, and Thursday expirations at one time. Short Term Option Daily Expirations would be subject to this Interpretation and Policy .05.

* * * * *

With respect to Monday expirations for symbols defined in Table 1 above (“Monday Expirations”), the Exchange may open for trading on any Friday or Monday that is a business day series of options on the symbols provided in Table 1 above that expire at the close of business on each of the next two Mondays that are business days and are not business days on which standard expiration options series, [m]Monthly [o]Options [s]Series, or Quarterly Options Series expire (“Monday Short Term Option Expiration Date”), provided that Monday Expirations that are listed on a Friday must be listed at least one business week and one business day prior to the expiration.

With respect to Tuesday expirations for symbols defined in Table 1 above (“Tuesday Expirations”), the Exchange may open for trading on any Monday or Tuesday that is a business day series of options on the symbols provided in Table 1 above that expire at the close of business on each of the next two Tuesdays that are business days and are not business days on which standard expiration options series, [m]Monthly [o]Options [s]Series, or Quarterly Options Series expire (“Tuesday Short Term Option Expiration Date”).

With respect to Wednesday expirations for symbols defined in Table 1 above (“Wednesday Expirations”), the Exchange may open for trading on any Tuesday or Wednesday that is a business day series of options on the symbols provided in Table 1 above that expire at the close of business on each of the next two Wednesdays that are business days and are not business days on which standard expiration options series, [m]Monthly [o]Options [s]Series, or Quarterly Options Series expire (“Wednesday Short Term Option Expiration Date”).

With respect to Thursday expirations for symbols defined in Table 1 above (“Thursday Expirations”), the Exchange may open for trading on any Wednesday or Thursday that is a business day series of options on the symbols provided in Table 1 above that expire at the close of business on each of the next two Thursdays that are business days and are not business days on which standard expiration options series, [m]Monthly [o]Options [s]Series, or Quarterly Options Series expire (“Thursday Short Term Option Expiration Date”).

* * * * *

.08 Monthly Options Series Program. The Exchange may list and trade options series that expire at the close of business on the last business day of a calendar month (“Monthly Options Series”).

(a) Classes. The Exchange may list Monthly Options Series for up to five currently listed option classes that are either index options or options on ETFs. In addition, the Exchange may also list Monthly Options Series on any options classes that are selected by other securities exchanges that employ a similar program under their respective rules.

(b) Expiration. The Exchange may list 12 expirations for Monthly Options Series. Monthly Options Series expirations need not be for consecutive months; however, the expiration date of a nonconsecutive expiration may not be beyond what would be considered the last expiration date if the maximum number of expirations were listed consecutively. No Monthly Options Series may expire on a date that coincides with an expiration date of a Quarterly Options Series in the same index or ETF class. Other expirations in the same class are not counted as part of the maximum numbers of Monthly Option Series expirations for a class.

(c) Settlement. Monthly Options Series will be P.M.-settled.

(d) Initial Series. The strike price of each Monthly Options Series will be fixed at a price per share, with at least two, but no more than five, strike prices above and at least two, but no more than five, strike prices below the value of the underlying index or price of the underlying security at about the time that a Monthly Options Series is opened for trading on the Exchange. The Exchange will list strike prices for Monthly Options Series that are reasonably related to the current price of the underlying security or current index value of the underlying index to which such series relates at about the time such series of options is first opened for trading on the Exchange. The term “reasonably related to the current price of the underlying security or index value of the underlying index” means that the exercise price is within 30% of the current underlying security price or index value.

(e) Additional Series. Additional Monthly Options Series of the same class may be open for trading on the Exchange when the Exchange deems it necessary to maintain an orderly market, to meet customer demand, or when the market price of the underlying security moves substantially from the initial exercise price or prices. To the extent that any additional strike prices are listed by the Exchange, such additional strike prices will be within 30% above or below the closing price of the underlying index or security on the preceding day. The Exchange may also open additional strike prices of Monthly Option Series that are more than 30% above or below the current price of the underlying index or security, provided that demonstrated customer interest exists for such series, as expressed by institutional, corporate, or individual customers or their brokers. Market-Makers trading for their own account will not be considered when determining customer interest under this provision. The opening of the new Monthly Options Series will not affect the series of options in the same class previously opened.

(f) Strike Interval. The interval between strike prices on Monthly Options Series will be the same as the interval for strike prices for series in that same options class that expire in accordance with the normal monthly expiration cycle.

(g) Delisting Policy.

(1) With respect to Monthly Options Series added pursuant to subparagraphs (a) through (f) above, the Exchange will, on a monthly basis, review series that are outside a range of five strikes above and five strikes below the current price of the underlying index or security, and delist series with no open interest in both the put and the call series having a: (A) strike higher than the highest strike price with open interest

in the put and/or call series for a given expiration month; and (B) strike lower than the lowest strike price with open interest in the put and/or call series for a given expiration month.

(2) Notwithstanding the above referenced delisting policy, customer requests to add strikes and/or maintain strikes in Monthly Options Series in series eligible for delisting shall be granted.

(3) In connection with the above referenced delisting policy, if the Exchange identifies series for delisting, the Exchange will notify other options exchanges with similar delisting policies regarding eligible series for delisting and will work with such other exchanges to develop a uniform list of series to be delisted, so as to ensure uniform series delisting of multiply listed Monthly Options Series.

* * * * *

Rule 29.2. Definitions

(a) – (j) No change.

(k) The term “Monthly Options Series” means a series in an options class that is approved for listing and trading on the Exchange in which the series is opened for trading on any business day and that expires at the close of business on the last business day of a calendar month.

(l) The term “put” means an options contract under which the holder of the option has the right, in accordance with the terms and provisions of the option, to sell to the Clearing Corporation the current index value times the index multiplier.

([l]m) The term “Quarterly Options Series” means a series in an options class that is approved for listing and trading on the Exchange in which the series is opened for trading on any business day and expires at the close of business on the last business day of a calendar quarter.

([m]n) The term “reporting authority” with respect to a particular index means the institution or reporting service designated by the Exchange as the official source for (1) calculating the level of the index from the reported prices of the underlying securities that are the basis of the index and (2) reporting such level. The reporting authority for each index approved for options trading on MEMX Options shall be Specified (as provided in Rule 29.1) in the Interpretations and Policies to this Rule.

([n]o) The term “Short Term Option Series” means a series in an option class that is approved for listing and trading on the Exchange in which the series is opened for trading on any Thursday or Friday that is a business day and that expires on any of the next five (5) consecutive Fridays. If a Thursday or Friday is not a business day, the series may be opened (or shall expire) on the first business day immediately prior to that Thursday or Friday, respectively.

([o]p) The term “underlying security” or “underlying securities” with respect to an index options contract means any of the securities that are the basis for the calculation of the index.

* * * * *

Rule 29.11. Terms of Index Options Contracts

(a) General.

(1) – (2) No change.

(3) Expiration Months and Weeks. Index options contracts may expire at three (3) month intervals, [or] in consecutive months, or in consecutive weeks (as specified by class below). MEMX Options may list up to six (6) expiration months at any one time, but will not list index options that expire more than twelve (12) months out (except as specified below).

* * * * *

(h) Short Term Option Series Program. After an index option class has been approved for listing and trading on the Exchange, the Exchange may open for trading on any Thursday or Friday that is a business day (“Short Term Option Opening Date”) series of options on that class that expire on each of the next five (5) Fridays that are business days and are not Fridays in which standard expiration options series, [m]Monthly [o]Options series, or Quarterly Options Series expire (“Short Term Option Expiration Dates”). The Exchange may have no more than a total of five Short Term Option Expiration Dates. If the Exchange is not open for business on the respective Thursday or Friday, the Short Term Option Opening Date will be the first business day immediately prior to that respective Thursday or Friday. Similarly, if the Exchange is not open for business on the Friday that the options are set to expire, the Short Term Option Expiration Date will be the first business day immediately prior to that Friday. Regarding Short Term Option Series:

(1) No change.

(2) No Short Term Option Series on an index option class may expire in the same week during which any [monthly]standard expiration option series on the same index class expire or, in the case of Monthly Options Series or Quarterly Options Series, on an expiration that coincides with an expiration of a Monthly Options Series or Quarterly Options Series, respectively, on the same index class.

* * * * *

(k) Monthly Options Series Program. The Exchange may list and trade option series that expire at the close of business on the last business day of the a calendar month (“Monthly Option Series”).

(1) Classes. The Exchange may list Monthly Options Series for up to five currently listed option classes that are either index options or options on ETFs. In addition, the Exchange may also list Monthly Options Series on any options classes that are selected by other securities exchanges that employ a similar program under their respective rules.

(2) Expiration. The Exchange may list 12 expirations for Monthly Options Series. Monthly Options Series expirations need not be for consecutive months; however, the expiration date of a nonconsecutive expiration may not be beyond what would be considered the last expiration date if the maximum number of expirations were listed consecutively. No Monthly Options Series may expire on a date that coincides with an expiration date of a Quarterly Options Series in the same index or ETF class. Other expirations in the same class are not counted as part of the maximum numbers of Monthly Option Series expirations for a class.

(3) Settlement. Monthly Options Series will be P.M.-settled.

(4) Initial Series. The strike price of each Monthly Options Series will be fixed at a price per share, with at least two, but no more than five, strike prices above and at least two, but no more than five, strike prices below the value of the underlying index or price of the underlying security at about the time that a Monthly Options Series is opened for trading on the Exchange. The Exchange will list strike prices for Monthly Options Series that are reasonably related to the current price of the underlying security or current index value of the underlying index to which such series relates at about the time such series of options is first opened for trading on the Exchange. The term “reasonably related to the current price of the underlying security or index value of the underlying index” means that the exercise price is within 30% of the current underlying security price or index value.

(5) Additional Series. Additional Monthly Options Series of the same class may be open for trading on the Exchange when the Exchange deems it necessary to maintain an orderly market, to meet customer demand, or when the market price of the underlying security moves substantially from the initial exercise price or prices. To the extent that any additional strike prices are listed by the Exchange, such additional strike prices will be within 30% above or below the closing price of the underlying index or security on the preceding day. The Exchange may also open additional strike prices of Monthly Option Series that are more than 30% above or below the current price of the underlying index or security, provided that demonstrated customer interest exists for such series, as expressed by institutional, corporate, or individual customers or their brokers. Market-Makers trading for their own account will not be considered when determining customer interest under this provision. The opening of the new Monthly Options Series will not affect the series of options in the same class previously opened.

(6) Strike Interval. The interval between strike prices on Monthly Options Series will be the same as the interval for strike prices for series in that same options class that expire in accordance with the normal monthly expiration cycle.

(7) Delisting Policy.

(A) With respect to Monthly Options Series added pursuant to subparagraphs (1) through (6) above, the Exchange will, on a monthly basis, review series that are outside a range of five strikes above and five strikes below the current price of the underlying index or security, and delist series with no open interest in both the put and the call series having a: (i) strike higher than the highest strike price with open interest in the put and/or call series for a given expiration month; and (ii) strike lower than the lowest strike price with open interest in the put and/or call series for a given expiration month.

(B) Notwithstanding the above referenced delisting policy, customer requests to add strikes and/or maintain strikes in Monthly Options Series in series eligible for delisting will be granted.

(C) In connection with the above referenced delisting policy, if the Exchange identifies series for delisting, the Exchange will notify other options exchanges with similar delisting policies regarding eligible series for delisting and will work with such other exchanges to develop a uniform list of series to be delisted, so as to ensure uniform series delisting of multiply listed Monthly Options Series.

* * * * *