

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 the strike interval for options on SPDR® Gold shares (“GLD”) under Rule 19.5. 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:

Anders Franzon
General Counsel

Molly Hartley
Counsel

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).

MEMX LLC
(551) 370-1003

MEMX LLC
(551) 370-1089

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

a. Purpose

The purpose of the proposed rule change is to amend Rule 19.5, "Series of Options Contracts Open for Trading." Specifically, the Exchange proposes to amend Rule 19.5(d)(4) to allow for the interval between strike prices of series of options on Fund Shares of SPDR® Gold Shares or "GLD" to be \$1 or greater, including where the strike price is greater than \$200.

Currently Rule 19.5, Interpretation and Policy .01 provides, in relevant part, that for series of options on Exchange-Traded Fund Shares that satisfy the criteria set forth in Rule 19.3(i), the interval of strike prices may be \$1 or greater where the strike price is \$200 or less or \$5 or greater where the strike price is over \$200, subject to certain exceptions set forth in Rule 19.5, Interpretations and Policies .02 and .03.

Further, current Rule 19.5(d)(4) provides that notwithstanding any other provision regarding the interval between strike prices of series of options on Fund Shares in Rule 19.5, the interval between strike prices of series of options on Standard & Poor's Depository Receipts Trust ("SPY"), iShares S&P 500 Index ETF ("IVV"), and the DIAMONDS Trust ("DIA") will be \$1 or greater. At this time, the Exchange proposes to modify the interval setting regime to be \$1 or greater for GLD options, similar to SPY, IVV, and DIA. The Exchange believes that the proposed rule change would make GLD options easier for investors and traders to use and more tailored to their investment needs. GLD is an Exchange-Traded Fund Share designed to closely track the price and

performance of the price of gold bullion. GLD is widely quoted as an indicator of gold stock prices and is a significant indicator of overall economic health. Investors use GLD to diversify their portfolios and benefit from market trends. Additionally, GLD is a leading product in its asset class that trades within a “complex” where, in addition to the underlying security, there are multiple instruments available for hedging such as, COMEX Gold Futures; Gold Daily Futures; iShares GOLD Trust; SPDR GOLD Minishares Trust; Aberdeen Physical Gold Trust; and GraniteShares Gold Shares. Accordingly, the Exchange believes that offering a wider base of GLD options affords traders and investors important hedging and trading opportunities, particularly in the midst of current price trends. The Exchange believes that not having the proposed \$1 strike price intervals above \$200 in GLD significantly constricts investors’ hedging and trading possibilities. The Exchange therefore believes that by having smaller strike intervals in GLD, investors would have more efficient hedging and trading opportunities due to the lower \$1 interval ascension. The proposed \$1 interval above the \$200 strike price, will result in having at-the-money series based upon the underlying ETF moving less than 1%. Considering the fact that \$1 intervals already exist below the \$200 price point and that GLD have consistently inclined in price toward the \$200 level, the Exchange believes that continuing to maintain the current \$200 level (above which intervals increase 500% to \$5), may have a negative effect on investing, trading and hedging opportunities, and volume. The Exchange believes that the investing, trading, and hedging opportunities available with GLD options far outweighs any potential negative impact of allowing GLD options to trade in more finely tailored intervals above the \$200 price point. The proposed strike setting regime would permit strikes to be set to

more closely reflect the increasing value in the underlying and allows investors and traders to roll open positions from a lower strike to a higher strike in conjunction with the price movements of the underlying ETF. Under the current rule, where the next higher available series would be \$5 away above a \$200 strike price, the ability to roll such positions would be impaired. Accordingly, to move a position from a \$200 strike to a \$205 strike under the current rule, an investor would need for the underlying product to move 2.5%, and would not be able to execute a roll up until such a large movement occurred. The Exchange believes that with the proposed rule change, the investor would be in a significantly safer position of being able to roll his open options position from a \$200 to a \$201 strike price, which is only a 0.5% move for the underlying. As a result, the proposed rule change will allow the Exchange to better respond to customer demand for GLD strike price more precisely aligned with the smaller, longer-term incremental increases in the underlying ETF. The Exchange believes that the proposed rule change, like the other strike price programs currently offered by the Exchange, will benefit investors by providing investors the flexibility to more closely tailor their investment and hedging decisions using GLD options. Moreover, by allowing series of GLD options to be listed in \$1 intervals between strike prices over \$200, the proposal will moderately augment the potential total number of options series available on the Exchange. However, the Exchange believes it and the Options Price Reporting Authority (“OPRA”) have the necessary systems capacity to handle any potential additional traffic associated with this proposed rule change. The Exchange also believes that Members will not have a capacity issue due to the proposed rule change. In addition, the Exchange represents that it does not believe that this expansion will cause fragmentation of liquidity, but rather, believes

that finer strike intervals will serve to increase liquidity available as well as price efficiency by providing more trading opportunities for all market participants.

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.⁵ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)⁶ 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)⁷ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers. The Exchange also believes the proposed rule change is consistent with Section 6(b)(1) of the Act,⁸ which provides that the Exchange be organized and have the capacity to be able to carry out the purposes of the Act and to enforce compliance by the Exchange’s Members and persons

⁵ 15 U.S.C. 78f(b).

⁶ 15 U.S.C. 78f(b)(5).

⁷ Id.

⁸ 15 U.S.C 78f(b)(1).

associated with its Members with the Act, the rules and regulations thereunder, and the rules of the Exchange.

In particular, the proposed rule change will allow investors to more easily use GLD options. Moreover, the proposed rule change would allow investors to better trade and hedge positions in GLD options where the strike price is greater than \$200, and ensure that investors in both options are not at a disadvantage simply because of the strike price. The Exchange believes the proposed rule change is consistent with Section 6(b)(1) of the Act, which provides that the Exchange be organized and have the capacity to be able to carry out the purposes of the Act and the rules and regulations thereunder, and the rules of the Exchange. The proposal allows the Exchange to respond to customer demand to allow GLD options to trade in \$1 intervals above a \$200 strike price. The Exchange does not believe that the proposed rule would create additional capacity issues or affect market functionality. As noted above, ETF options trade in wider \$5 intervals above a \$200 strike price, whereby options at or below a \$200 strike price trade in \$1 intervals. This creates a situation where contracts on the same option class effectively may not be able to execute certain strategies such as, for example, rolling to a higher strike price, simply because of the \$200 strike price above which options intervals increase by 500%. This proposal remedies the situation by establishing an exception to the current ETF interval regime for GLD options to allow such options to trade in \$1 or greater intervals at all strike prices

The Exchange believes that the proposed rule change, like other strike price programs currently offered by the Exchange, will benefit investors by giving them increased flexibility to more closely tailor their investment and hedging decisions. By way of example, GLD is a leading product in its asset class and it trades within a

“complex” where, in addition to the underlying security, there are multiple instruments available for hedging such as, COMEX Gold Futures; Gold Daily Futures; iShares GOLD Trust; SPDR GOLD Minishares Trust; Aberdeen Physical Gold Trust; and GraniteShares Gold Shares.

With regard to the impact of this proposal on system capacity, the Exchange believes it and OPRA have the necessary systems capacity to handle any potential additional traffic associated with this proposed rule change. The Exchange believes that its Members will not have a capacity issue as a result of this proposal. Further, the Exchange does not believe the proposal unfairly discriminates among market participants, as all market participants will be treated in the same manner under this proposal.

Finally, the Exchange notes the proposed rule change is substantively the same as a rule change proposed by Nasdaq ISE, LLC (“ISE”) which the Commission recently approved.⁹

4. Self-Regulatory Organization’s Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. Rather, the Exchange believes that the proposed rule change will result in additional investment options and opportunities to achieve the investment and trading objectives of market participants seeking efficient trading and hedging vehicles, to the benefit of investors, market participants, and the marketplace in general. Specifically, the

⁹ See Securities Exchange Act Release No. 100447 (June 28, 2024), 89 FR 55293 (July 3, 2024) (SR-ISE-2024-17).

Exchange believes that GLD options investors and traders will significantly benefit from the availability of finer strike price intervals above a \$200 price point. In addition, the interval setting regime the Exchange proposes to apply to GLD options is currently applied to SPY, IVV, and DIA options, which are similarly popular and widely traded ETF products and track indexes at similarly high price levels. Thus, the proposed strike setting regime for GLD options will allow options on this an actively traded ETF with index levels at corresponding price levels to trade pursuant to the same strike setting regime. This will permit investors to employ similar investment and hedging strategies for each of these options.

The Exchange does not believe the proposal will impose any burden on inter-market competition, as nothing prevents other options exchanges from proposing similar rules to make a finer strike price intervals above a \$200 price point available for GLD options. The Exchange notes that the proposed rule change is not a novel proposal, as the Commission recently approved a substantively identical proposal of another exchange.¹⁰ Further, the Exchange does not believe the proposal will impose any burden on intramarket competition, as all market participants will be treated in the same manner under this proposal.

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

¹⁰ Id.

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 Act¹¹ and Rule 19b-4(f)(6) thereunder¹² 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)¹³ 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 that the proposed rule change does not significantly affect the protection of investors or the public interest. As noted above, the proposed rule change will allow investors to more easily use GLD options. Moreover, the proposed rule change would allow investors to better trade and hedge positions in GLD options where the strike price is greater than \$200, and ensure that investors in both options are not at a disadvantage simply because of the strike price. The proposal allows the Exchange to respond to customer demand to allow GLD options to trade in \$1 intervals above a \$200

¹¹ 15 U.S.C. 78s(b)(3)(A)(iii).

¹² 17 CFR 240.19b-4(f)(6).

¹³ 17 CFR 240.19b-4(f)(6)(iii).

strike price. The Exchange does not believe that the proposed rule would create additional capacity issues or affect market functionality. As noted above, ETF options trade in wider \$5 intervals above a \$200 strike price, whereby options at or below a \$200 strike price trade in \$1 intervals. This creates a situation where contracts on the same option class effectively may not be able to execute certain strategies such as, for example, rolling to a higher strike price, simply because of the \$200 strike price above which options intervals increase by 500%. This proposal remedies the situation by establishing an exception to the current ETF interval regime for GLD options to allow such options to trade in \$1 or greater intervals at all strike prices, to the benefit of investors.

The Exchange believes that the proposed rule change, like other strike price programs currently offered by the Exchange, will benefit investors by giving them increased flexibility to more closely tailor their investment and hedging decisions. As noted above, GLD is a leading product in its asset class and it trades within a “complex” where, in addition to the underlying security, there are multiple instruments available for hedging such as, COMEX Gold Futures; Gold Daily Futures; iShares GOLD Trust; SPDR GOLD Minishares Trust; Aberdeen Physical Gold Trust; and GraniteShares Gold Shares. In addition, the interval setting regime the Exchange proposes to apply to GLD options is currently applied to SPY, IVV, and DIA options, which are similarly popular and widely traded ETF products and track indexes at similarly high price levels. Thus, the proposed strike setting regime for GLD options will allow options on this an actively traded ETF with index levels at corresponding price levels to trade pursuant to the same strike setting regime. This will permit investors to employ similar investment and hedging strategies for each of these options.

With regard to the impact of this proposal on system capacity, the Exchange believes it and OPRA have the necessary systems capacity to handle any potential additional traffic associated with this proposed rule change. The Exchange believes that its Members will not have a capacity issue as a result of this proposal.

Further, the Exchange believes the proposal does not impose any significant burden on competition, as all market participants will be treated in the same manner under this proposal. As noted above, the proposed rule change is substantively the same as a rule change proposed by ISE, which the Commission recently approved.¹⁴

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 proposed rule change is not novel, as it is substantively identical to a proposal of another exchange that the Commission recently approved.¹⁵ The Exchange respectfully requests that the Commission waive the 30-day operative delay period after which a proposed rule change under Rule 19b-4(f)(6) becomes effective. The proposed rule change is intended for competitive purposes, and waiver of the operative delay will

¹⁴ Id.

¹⁵ Id.

permit the Exchange to implement the proposal at the same time as its competitor exchanges, thus creating competition among GLD options throughout the industry.

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

The proposed rule change is substantively identical to the ISE proposal approved by the Commission.¹⁶

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. Text of Proposed Fee Schedule.

¹⁶

Id.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34- ; File No. SR-MEMX-2024-28]

[Insert date]

Self-Regulatory Organizations; MEMX LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend the Strike Interval for Options on SPDR® Gold Shares (“GLD”)

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 the strike interval for options on SPDR® Gold Shares (“GLD”). 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 for, the Proposed Rule Change

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.

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 purpose of the proposed rule change is to amend Rule 19.5, "Series of Options Contracts Open for Trading." Specifically, the Exchange proposes to amend Rule 19.5(d)(4) to allow for the interval between strike prices of series of options on Fund Shares of SPDR® Gold Shares or "GLD" to be \$1 or greater, including where the strike price is greater than \$200.

Currently Rule 19.5, Interpretation and Policy .01 provides, in relevant part, that for series of options on Exchange-Traded Fund Shares that satisfy the criteria set forth in Rule 19.3(i), the interval of strike prices may be \$1 or greater where the strike price is \$200 or less or \$5 or greater where the strike price is over \$200, subject to certain exceptions set forth in Rule 19.5, Interpretations and Policies .02 and .03.

Further, current Rule 19.5(d)(4) provides that notwithstanding any other provision regarding the interval between strike prices of series of options on Fund Shares in Rule 19.5, the interval between strike prices of series of options on Standard & Poor's Depository Receipts Trust ("SPY"), iShares S&P 500 Index ETF ("IVV"), and the DIAMONDS Trust ("DIA") will be \$1 or greater. At this time, the Exchange proposes to modify the interval setting regime to be \$1 or greater for GLD options, similar to SPY,

IVV, and DIA. The Exchange believes that the proposed rule change would make GLD options easier for investors and traders to use and more tailored to their investment needs. GLD is an Exchange-Traded Fund Share designed to closely track the price and performance of the price of gold bullion. GLD is widely quoted as an indicator of gold stock prices and is a significant indicator of overall economic health. Investors use GLD to diversify their portfolios and benefit from market trends. Additionally, GLD is a leading product in its asset class that trades within a “complex” where, in addition to the underlying security, there are multiple instruments available for hedging such as, COMEX Gold Futures; Gold Daily Futures; iShares GOLD Trust; SPDR GOLD Minishares Trust; Aberdeen Physical Gold Trust; and GraniteShares Gold Shares. Accordingly, the Exchange believes that offering a wider base of GLD options affords traders and investors important hedging and trading opportunities, particularly in the midst of current price trends. The Exchange believes that not having the proposed \$1 strike price intervals above \$200 in GLD significantly constricts investors’ hedging and trading possibilities. The Exchange therefore believes that by having smaller strike intervals in GLD, investors would have more efficient hedging and trading opportunities due to the lower \$1 interval ascension. The proposed \$1 interval above the \$200 strike price, will result in having at-the-money series based upon the underlying ETF moving less than 1%. Considering the fact that \$1 intervals already exist below the \$200 price point and that GLD have consistently inclined in price toward the \$200 level, the Exchange believes that continuing to maintain the current \$200 level (above which intervals increase 500% to \$5), may have a negative effect on investing, trading and hedging opportunities, and volume. The Exchange believes that the investing, trading,

and hedging opportunities available with GLD options far outweighs any potential negative impact of allowing GLD options to trade in more finely tailored intervals above the \$200 price point. The proposed strike setting regime would permit strikes to be set to more closely reflect the increasing value in the underlying and allows investors and traders to roll open positions from a lower strike to a higher strike in conjunction with the price movements of the underlying ETF. Under the current rule, where the next higher available series would be \$5 away above a \$200 strike price, the ability to roll such positions would be impaired. Accordingly, to move a position from a \$200 strike to a \$205 strike under the current rule, an investor would need for the underlying product to move 2.5%, and would not be able to execute a roll up until such a large movement occurred. The Exchange believes that with the proposed rule change, the investor would be in a significantly safer position of being able to roll his open options position from a \$200 to a \$201 strike price, which is only a 0.5% move for the underlying. As a result, the proposed rule change will allow the Exchange to better respond to customer demand for GLD strike price more precisely aligned with the smaller, longer-term incremental increases in the underlying ETF. The Exchange believes that the proposed rule change, like the other strike price programs currently offered by the Exchange, will benefit investors by providing investors the flexibility to more closely tailor their investment and hedging decisions using GLD options. Moreover, by allowing series of GLD options to be listed in \$1 intervals between strike prices over \$200, the proposal will moderately augment the potential total number of options series available on the Exchange. However, the Exchange believes it and the Options Price Reporting Authority (“OPRA”) have the necessary systems capacity to handle any potential additional traffic associated with this

proposed rule change. The Exchange also believes that Members will not have a capacity issue due to the proposed rule change. In addition, the Exchange represents that it does not believe that this expansion will cause fragmentation of liquidity, but rather, believes that finer strike intervals will serve to increase liquidity available as well as price efficiency by providing more trading opportunities for all market participants.

2. Statutory Basis

The Exchange believes 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.⁵ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)⁶ 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)⁷ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers. The Exchange also believes the proposed rule change is consistent with Section 6(b)(1) of the Act,⁸ which

⁵ 15 U.S.C. 78f(b).

⁶ 15 U.S.C. 78f(b)(5).

⁷ Id.

⁸ 15 U.S.C 78f(b)(1).

provides that the Exchange be organized and have the capacity to be able to carry out the purposes of the Act and to enforce compliance by the Exchange's Members and persons associated with its Members with the Act, the rules and regulations thereunder, and the rules of the Exchange.

In particular, the proposed rule change will allow investors to more easily use GLD options. Moreover, the proposed rule change would allow investors to better trade and hedge positions in GLD options where the strike price is greater than \$200, and ensure that investors in both options are not at a disadvantage simply because of the strike price. The Exchange believes the proposed rule change is consistent with Section 6(b)(1) of the Act, which provides that the Exchange be organized and have the capacity to be able to carry out the purposes of the Act and the rules and regulations thereunder, and the rules of the Exchange. The proposal allows the Exchange to respond to customer demand to allow GLD options to trade in \$1 intervals above a \$200 strike price. The Exchange does not believe that the proposed rule would create additional capacity issues or affect market functionality. As noted above, ETF options trade in wider \$5 intervals above a \$200 strike price, whereby options at or below a \$200 strike price trade in \$1 intervals. This creates a situation where contracts on the same option class effectively may not be able to execute certain strategies such as, for example, rolling to a higher strike price, simply because of the \$200 strike price above which options intervals increase by 500%. This proposal remedies the situation by establishing an exception to the current ETF interval regime for GLD options to allow such options to trade in \$1 or greater intervals at all strike prices

The Exchange believes that the proposed rule change, like other strike price programs currently offered by the Exchange, will benefit investors by giving them

increased flexibility to more closely tailor their investment and hedging decisions. By way of example, GLD is a leading product in its asset class and it trades within a “complex” where, in addition to the underlying security, there are multiple instruments available for hedging such as, COMEX Gold Futures; Gold Daily Futures; iShares GOLD Trust; SPDR GOLD Minishares Trust; Aberdeen Physical Gold Trust; and GraniteShares Gold Shares.

With regard to the impact of this proposal on system capacity, the Exchange believes it and OPRA have the necessary systems capacity to handle any potential additional traffic associated with this proposed rule change. The Exchange believes that its Members will not have a capacity issue as a result of this proposal. Further, the Exchange does not believe the proposal unfairly discriminates among market participants, as all market participants will be treated in the same manner under this proposal.

Finally, the Exchange notes the proposed rule change is substantively the same as a rule change proposed by Nasdaq ISE, LLC (“ISE”) which the Commission recently approved.⁹

B. Self-Regulatory Organization’s Statement on Burden on Competition

The Exchange does not believe that that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. Rather, the Exchange believes that the proposed rule change will result in additional investment options and opportunities to achieve the investment and trading objectives of market participants seeking efficient trading and hedging vehicles, to the

⁹ See Securities Exchange Act Release No. 100447 (June 28, 2024), 89 FR 55293 (July 3, 2024) (SR-ISE-2024-17).

benefit of investors, market participants, and the marketplace in general. Specifically, the Exchange believes that GLD options investors and traders will significantly benefit from the availability of finer strike price intervals above a \$200 price point. In addition, the interval setting regime the Exchange proposes to apply to GLD options is currently applied to SPY, IVV, and DIA options, which are similarly popular and widely traded ETF products and track indexes at similarly high price levels. Thus, the proposed strike setting regime for GLD options will allow options on this an actively traded ETF with index levels at corresponding price levels to trade pursuant to the same strike setting regime. This will permit investors to employ similar investment and hedging strategies for each of these options.

The Exchange does not believe the proposal will impose any burden on inter-market competition, as nothing prevents other options exchanges from proposing similar rules to make a finer strike price intervals above a \$200 price point available for GLD options. The Exchange notes that the proposed rule change is not a novel proposal, as the Commission recently approved a substantively identical proposal of another exchange.¹⁰ Further, the Exchange does not believe the proposal will impose any burden on intramarket competition, as all market participants will be treated in the same manner under this proposal.

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

¹⁰ Id.

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act¹¹ and Rule 19b-4(f)(6) thereunder¹² 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)¹³ 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 that the proposed rule change does not significantly affect the protection of investors or the public interest. As noted above, the proposed rule change will allow investors to more easily use GLD options. Moreover, the proposed rule change would allow investors to better trade and hedge positions in GLD options where the strike price is greater than \$200, and ensure that investors in both options are not at a disadvantage simply because of the strike price. The proposal allows the Exchange to respond to customer demand to allow GLD options to trade in \$1 intervals above a \$200 strike price. The Exchange does not believe that the proposed rule would create additional capacity issues or affect market functionality. As noted above, ETF options trade in wider \$5 intervals above a \$200 strike price, whereby options at or below a \$200

¹¹ 15 U.S.C. 78s(b)(3)(A)(iii).

¹² 17 CFR 240.19b-4(f)(6).

¹³ 17 CFR 240.19b-4(f)(6)(iii).

strike price trade in \$1 intervals. This creates a situation where contracts on the same option class effectively may not be able to execute certain strategies such as, for example, rolling to a higher strike price, simply because of the \$200 strike price above which options intervals increase by 500%. This proposal remedies the situation by establishing an exception to the current ETF interval regime for GLD options to allow such options to trade in \$1 or greater intervals at all strike prices, to the benefit of investors.

The Exchange believes that the proposed rule change, like other strike price programs currently offered by the Exchange, will benefit investors by giving them increased flexibility to more closely tailor their investment and hedging decisions. As noted above, GLD is a leading product in its asset class and it trades within a “complex” where, in addition to the underlying security, there are multiple instruments available for hedging such as, COMEX Gold Futures; Gold Daily Futures; iShares GOLD Trust; SPDR GOLD Minishares Trust; Aberdeen Physical Gold Trust; and GraniteShares Gold Shares. In addition, the interval setting regime the Exchange proposes to apply to GLD options is currently applied to SPY, IVV, and DIA options, which are similarly popular and widely traded ETF products and track indexes at similarly high price levels. Thus, the proposed strike setting regime for GLD options will allow options on this an actively traded ETF with index levels at corresponding price levels to trade pursuant to the same strike setting regime. This will permit investors to employ similar investment and hedging strategies for each of these options.

With regard to the impact of this proposal on system capacity, the Exchange believes it and OPRA have the necessary systems capacity to handle any potential additional traffic associated with this proposed rule change. The Exchange believes that

its Members will not have a capacity issue as a result of this proposal.

Further, the Exchange believes the proposal does not impose any significant burden on competition, as all market participants will be treated in the same manner under this proposal. As noted above, the proposed rule change is substantively the same as a rule change proposed by ISE, which the Commission recently approved.¹⁴

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 proposed rule change is not novel, as it is substantively identical to a proposal of another exchange that the Commission recently approved.¹⁵ The Exchange respectfully requests that the Commission waive the 30-day operative delay period after which a proposed rule change under Rule 19b-4(f)(6) becomes effective. The proposed rule change is intended for competitive purposes, and waiver of the operative delay will permit the Exchange to implement the proposal at the same time as its competitor exchanges, thus creating competition among GLD options throughout the industry.

IV. Solicitation of Comments

¹⁴ Id.

¹⁵ 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-2024-28 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-2024-28. 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-2024-28 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.¹⁶

Sherry R. Haywood,

Assistant Secretary.

¹⁶ 17 CFR 200.30-3(a)(12).

Exhibit 5

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

* * * * *

CHAPTER 19. SECURITIES TRADED ON MEMX OPTIONS

* * * * *

Rule 19.5. Series of Options Contracts Open for Trading

* * * * *

(d) Except as otherwise provided in this Rule and the Interpretations and Policies hereto, the interval between strike prices of series of options on individual stocks will be:

* * * * *

(4) The interval between strike prices of series of options on Fund Shares approved for options trading pursuant to Rule 19.3(i) shall be fixed at a price per share which is reasonably close to the price per share at which the underlying security is traded in the primary market at or about the same time such series of options is first open for trading on MEMX Options, or at such intervals as may have been established on another options exchange prior to the initiation of trading on MEMX Options. Notwithstanding any other provision regarding the interval between strike prices of series of options on Fund Shares in this Rule, the interval between strike prices of series of options on Standard & Poor's Depository Receipts Trust ("SPY"), iShares S&P 500 Index ETF ("IVV"), [and]the DIAMONDS Trust ("DIA"), and SPDR® Gold Shares ("GLD") will be \$1 or greater.

* * * * *