

it independently has the ability to fulfill all of its regulatory obligations.

It is further ordered, pursuant to Section 36 of the Act,²⁵⁹ that GIX shall be exempted from the rule filing requirements of Section 19(b) of the Act with respect to the FINRA rules that GIX proposes to incorporate by reference into GIX's rules, subject to the conditions specified in this Order.

By the Commission.

Vanessa A. Countryman,
Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-102843; File No. SR-CboeBZX-2025-049]

Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Notice of Filing of a Proposed Rule Change To Amend Various Provisions of Exchange Rule 14.11

April 11, 2025.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that, on March 31, 2025, Cboe BZX Exchange, Inc. (“Exchange”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

Cboe BZX Exchange, Inc. (“BZX” or the “Exchange”) is filing with the Securities and Exchange Commission (“Commission” or “SEC”) a proposed rule change to various provisions of Exchange Rule 14.11 that would (1) amend the requirement for a registered Market Maker in a UTP Derivative Security or a Derivative Security listed on the Exchange to file with the Exchange a current list identifying Related Instrument Trading Accounts; and (2) eliminate the prohibition that a Member acting as a registered Market Maker in a UTP Derivative Security or a Derivative Security listed on the Exchange may not trade in a Related

Instrument Trading Account that has not been reported to the Exchange.

The text of the proposed rule change is also available on the Exchange's website (http://markets.cboe.com/us/equities/regulation/rule_filings/bzx/), at the Exchange's Office of the Secretary, and at the Commission's Public Reference Room.

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

In its filing with the Commission, the 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 certain provisions under Exchange Rule 14.11 to require Members³ that are registered as a Market Maker⁴ in an Unlisted Trading Privilege (“UTP”) Derivative Security⁵ or a Derivative Security⁶ listed on the Exchange (“BZX-Listed Derivative Security”) to provide a list identifying Related Instrument⁷ Trading Accounts⁸ only at the request of the Exchange.⁹ The Exchange also proposes to amend provisions under Rule 14.11 to eliminate the prohibition

that a Member acting as a registered Market Maker in a UTP Derivative Security or BZX-Listed Derivative Security may not have a Related Instruments Trading Account which has not been reported to the Exchange. The proposal would not limit the Exchange's authority to request, nor limit the registered Market Maker's obligation to produce, any books, records, or other information pertaining to any Related Instrument Trading Account or to the account of any registered or non-registered employee affiliated with the Market Maker for which Related Instruments are traded.¹⁰ Such provisions apply to any Derivative Security listed pursuant to Rules 14.11(d) Interpretation and Policy .01(a) Securities Linked to the Performance of Indexes and Commodities (Including Currencies), 14.11(e)(4)(G) Commodity-Based Trust Shares, 14.11(e)(5)(G) Currency Trust Shares, 14.11(e)(6)(G) Commodity Index Trust Shares, 14.11(e)(7)(F)(i) Commodity Futures Trust Shares, 14.11(e)(8)(E)(i) Partnership Units, 14.11(e)(9)(F) Trust Units, 14.11(e)(10)(F)(i) Managed Trust Securities, and Rule 14.11(f)(4)(D)(i) Trust Issued Receipts (collectively with Rule 14.11(j) UTP Derivative Securities, the “Market Maker Restriction Rules”). Derivative Securities that are listed and traded on the Exchange pursuant to the Applicable Rules require the Exchange to file separate proposals under Section 19(b) of the Act before listing the Derivative Securities and each of those filings contain references to the current rules.¹¹ The Exchange notes that this

¹⁰ See Exchange Rule 14.11(j)(4)(B).

¹¹ The Exchange notes that the following BZX-Listed Derivatives Securities have been approved by the Commission and are currently listed and traded on the Exchange: see Securities Exchange Act Release Nos. 100216 (May 22, 2024) 89 FR 46514 (May 29, 2024) (SR-CboeBZX-2023-070) (Notice of Filing of Amendment No. 2 to a Proposed Rule Change to List and Trade Shares of the ARK 21Shares Ethereum ETF Under BZX Rule 14.11(e)(4), Commodity-Based Trust Shares); 99288 (January 8, 2024) 89 FR 2387 (January 12, 2024) (SR-CboeBZX-2023-028) (Notice of Filing of Amendment No. 5 to a Proposed Rule Change To List and Trade Shares of the ARK 21Shares Bitcoin ETF Under BZX Rule 14.11(e)(4), Commodity-Based Trust Shares); 99290 (January 8, 2024) 89 FR 2338 (January 12, 2024) (SR-CboeBZX-2023-044) (Notice of Filing of Amendment No. 3 to a Proposed Rule Change To List and Trade Shares of the Wise Origin Bitcoin Fund Under BZX Rule 14.11(e)(4), Commodity-Based Trust Shares); 100215 (May 22, 2024) 89 FR 46478 (May 29, 2024) (SR-CboeBZX-2023-095) (Notice of Filing of Amendment No. 2 to a Proposed Rule Change to List and Trade Shares of the Fidelity Ethereum Fund Under BZX Rule 14.11(e)(4), Commodity-Based Trust Shares); 99286 (January 8, 2024) 89 FR 2372 (January 12, 2024) (SR-CboeBZX-2023-072) (Notice of Filing of Amendment No. 1 to a Proposed Rule Change To List and Trade Shares of the Franklin Bitcoin ETF Under BZX Rule 14.11(e)(4), Commodity-Based Trust Shares); 100218 (May 22, 2024) 89 FR 46499

³ See Exchange Rule 1.5(n).

⁴ See Exchange Rule 1.5(l).

⁵ See Exchange Rule 1.5(ee).

⁶ See Exchange Rule 1.5(dd).

⁷ “Reference Assets” refers to the currencies, commodities, or derivatives based on one or more currencies or commodities, or derivatives based on a basket or index comprised of currencies or commodities, for which a UTP Derivative Security or BZX-Listed Derivative Security derives its value. See e.g., Exchange Rule 14.11(j)(4). “Related Instruments” refers to the Reference Assets collectively with the underlying physical asset or commodity, related futures or options on futures, and any other related derivatives of the UTP Derivative Security or BZX-Listed Derivative Security. See e.g., Exchange Rule 14.11(j)(4)(A).

⁸ “Related Instrument Trading Accounts” refers to accounts for which Related Instruments are trading in which (i) the Market Maker Holds an interest; (ii) over which it has investment discretion; or (iii) in which it shares in the profits and/or losses. See Exchange Rule 14.11(j)(4)(B)(i)-(iii).

⁹ The Exchange notes that Exchange Rule 22.7 has similar requirements to those at issue in Rule 14.11; however, the Exchange is proposing to amend Rule 22.7 through a separate Rule amendment.

²⁵⁹ 15 U.S.C. 78mm.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

proposed amendment to its rules would also apply to all BZX-Listed Derivative Securities already listed and traded on the Exchange pursuant to the Applicable Rules pursuant to the proposals filed under Section 19(b) of the Act.

Background

Prior to 2014, Exchange Rules prohibited a Market Maker in a UTP Derivative Security from acting or registering as a market maker on another exchange in any Related Instrument of a UTP Derivative Security. In 2014, the Exchange amended Rule 14.11(j) to permit a Member acting as a registered Market Maker in a UTP Derivatives Security on the Exchange the flexibility to act or register as a Market Maker in any Reference Asset that a UTP Derivative Security derives its value from consistent with the Commission and Exchange Rules.¹² To allow for this

(May 29, 2024) (SR-CboeBZX-2024-018) (Notice of Filing of Amendment No. 1 to a Proposed Rule Change Relating To List and Trade Shares of the Franklin Ethereum ETF, a Series of the Franklin Ethereum Trust, Under BZX Rule 14.11(e)(4), Commodity-Based Trust Shares); 101963 (December 18, 2024) 89 FR 105109 (December 26, 2024) (SR-CboeBZX-2024-091) (Notice of Filing of Amendment No. 1 to a Proposed Rule Change To List and Trade Shares of the Franklin Crypto Index ETF, a Series of the Franklin Crypto Trust, Under BZX Rule 14.11(e)(4), Commodity-Based Trust Shares); 94094 (January 28, 2022) 87 FR 6206 (February 3, 2022) (SR-CboeBZX-2022-005) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change To List and Trade Shares of the Goldman Sachs Physical Gold ETF Under BZX Rule 14.11(e)(4) (Commodity-Based Trust Shares)); 99283 (January 8, 2024) 89 FR 2263 (January 12, 2024) (SR-CboeBZX-2023-038) (Notice of Filing of Amendment No. 2 to a Proposed Rule Change To List and Trade Shares of the Invesco Galaxy Bitcoin ETF Under BZX Rule 14.11(e)(4), Commodity-Based Trust Shares); 100219 (May 22, 2024) 89 FR 46543 (May 29, 2024) (SR-CboeBZX-2023-087) (Notice of Filing of Amendment No. 1 to a Proposed Rule Change To List and Trade Shares of the Invesco Galaxy Ethereum ETF Under BZX Rule 14.11(e)(4), Commodity-Based Trust Shares); 99289 (January 8, 2024) 89 FR 2413 (January 12, 2024) (SR-CboeBZX-2023-040) (Notice of Filing of Amendment No. 2 to a Proposed Rule Change To List and Trade Shares of the VanEck Bitcoin Trust Under BZX Rule 14.11(e)(4), Commodity-Based Trust Shares); 100214 (May 22, 2024) 89 FR 46462 (May 29, 2024) (SR-CboeBZX-2023-069) (Notice of Filing of Amendment No. 2 to a Proposed Rule Change to List and Trade Shares of the VanEck Ethereum Trust Under BZX Rule 14.11(e)(4), Commodity-Based Trust Shares); and 99292 (January 8, 2024) 89 FR 2429 (January 12, 2024) (SR-CboeBZX-2023-042) (Notice of Filing of Amendment No. 1 to a Proposed Rule Change To List and Trade Shares of the WisdomTree Bitcoin Fund Under BZX Rule 14.11(e)(4), Commodity-Based Trust Shares).

¹² See Securities Exchange Act No. 73743 (December 4, 2014) (79 FR 73367) (December 10, 2014) (SR-BATS-2014-057) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Rule 14.11(j)(5) of BATS Exchange, Inc., To Remove the Restriction Prohibiting Market Makers in UTP Derivative Securities From Acting or Registering as a Market Maker in Any Reference Asset of That UTP Derivative Security or Any

flexibility, among other requirements, Rule 14.11(j) requires a Member acting as a registered Market Maker in a UTP Derivative Security to file with the Exchange, in a manner prescribed by the Exchange, and to keep a current list identifying all accounts for trading the Related Instruments which the Member acting as a registered Market Maker may have or over which it may exercise investment discretion (*i.e.*, Related Instrument Trading Accounts). Additionally, Rule 14.11(j)(4) prohibits a Member from acting as a registered Market Maker in the UTP Derivative Security from trading in Related Instruments in an account in which a Member acting as a registered Market Maker, directly or indirectly, controls trading activities, or has a direct interest in the profits or losses thereof (*i.e.*, Related Instrument Trading Accounts), that has not been reported to the Exchange. Substantively identical Exchange Rules exist under the remaining Market Maker Restriction Rules.

Proposal

Now, the Exchange proposes to amend the Market Maker Restriction Rules to require a registered Market Maker to file with the Exchange a current list identifying all Related Instrument Trading Accounts only upon the request of the Exchange. For example, the Exchange proposes to amend Exchange Rule 14.11(j)(4)(A) to provide that a Member acting as a registered Market Maker in a UTP Derivative Security, must upon the request of and in a manner prescribed by the Exchange, file with the Exchange a current list identifying all accounts for trading the Related Instruments which the Member acting as a registered Market Maker may have or over which it may exercise investment discretion. The Exchange proposes to make substantively similar amendments to all other relevant subsections of the Market Maker Restriction Rules¹³ to require a registered Market Maker to file with the Exchange a current list identifying all

Derivative Instrument Based on Such Reference Asset).

¹³ The relevant subsections of the Market Maker Restriction Rules are as follows: Securities Linked to the Performance of Indexes and Commodities (Including Currencies) (Rule 14.11(d) Interpretation and Policy .01(a)), Commodity-Based Trust Shares (Rule 14.11(e)(4)(G)), Currency Trust Shares (Rule 14.11(e)(5)(G)), Commodity Index Trust Shares (Rule 14.11(e)(6)(G)), Commodity Futures Trust Shares (Rule 14.11(e)(7)(F)(i)), Partnership Units (Rule 14.11(e)(8)(E)(i)), Trust Units (Rule 14.11(e)(9)(F)), Managed Trust Securities (Rule 14.11(e)(10)(F)(i)), and Trust Issued Receipts (Rule 14.11(f)(4)(D)(i)).

Related Instrument Trading Accounts only upon the request of the Exchange.

The Exchange also proposes to delete provisions of the Market Maker Restriction Rules that provides that a Member acting as a registered Market Maker in a UTP Derivative Security or a BZX-Listed Derivative Security may not trade in a Related Instrument Trading Account that has not been reported to the Exchange. For example, the Exchange proposes to delete the sentence of Rule 14.11(j)(4)(B) which states that “[a] Market Maker may not have an interest in, exercise investment discretion over, or share in the profits and/or losses of a Related Instrument Trading Account which has not been reported to the Exchange as required by this Rule.” The Exchange proposes to remove similar prohibitions from all other Market Maker Restriction Rules¹⁴ to delete substantively similar sentences.

Last, the Exchange proposes to amend Rule 14.11(j)(4)(B) to provide that a Market Maker shall, upon the request of the Exchange and in a manner prescribed by the Exchange, file with the Exchange a list of Related Instrument Trading Accounts for which Related Instruments are traded.¹⁵

Exchange Rules¹⁶ ensure that Market Makers in UTP Derivative Securities and BZX-Listed Derivatives would continue to have in place reasonably designed policies and procedures to prevent the misuse of material non-public information with regard to also acting as a Market Maker in any Related Instruments.¹⁷ For example, Rule 14.11(j)(4)(B) will continue to prohibit Market Makers from using material non-public information in connection with trading a Related Instrument and will also continue to require that, in addition to the existing obligations under Exchange rules regarding the production of books and records, a Market Maker shall, upon request by the Exchange, make available to the Exchange any books, records or other information pertaining to any Related Instrument trading account or to the account of any registered or non-registered employee affiliated with the Market Maker for which Related Instruments are traded.

¹⁴ Id.

¹⁵ The Exchange proposes no change to Rules 14.11(j)(4)(B)(i)–(iii), which sets forth the types of accounts in which Related Instruments are traded that would be considered Related Instrument Trading Accounts.

¹⁶ See Exchange Rule 5.5 and 14.1(j)(4)(B).

¹⁷ 15 U.S.C. 78o(g).

Substantively identical Rules exist in all other Market Maker Restriction Rules.¹⁸

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Act and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.¹⁹ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)²⁰ 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.

The Exchange believes that the proposed rule change is designed to prevent fraudulent and manipulative acts and practices, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, 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, because the proposed changes would reduce the paperwork received by the Exchange and ease the burden on registered Market Makers in submitting a list of Related Instrument Trading Accounts to the Exchange, without changing the information available to the Exchange. As discussed above, a registered Market Maker's list of Related Instrument Trading Accounts would continue to be available to the Exchange under Rule 14.11, as amended, which requires Market Makers to make available to the Exchange any books, records, or other information pertaining to any Related Instrument Trading Account or to the account of any

¹⁸ See Securities Linked to the Performance of Indexes and Commodities (Including Currencies) (Rule 14.11(d) Interpretation and Policy .01)(b), Commodity-Based Trust Shares (Rule 14.11(e)(4)(G)), Currency Trust Shares (Rule 14.11(e)(5)(G)), Commodity Index Trust Shares (Rule 14.11(e)(6)(G)), Commodity Futures Trust Shares (Rule 14.11(e)(7)(F)(ii)), Partnership Units (Rule 14.11(e)(8)(E)(ii)), Trust Units (Rule 14.11(e)(9)(F)), Managed Trust Securities (Rule 14.11(e)(10)(F)(ii)), and Trust Issued Receipts (Rule 14.11(f)(4)(D)(iii)).

¹⁹ 15 U.S.C. 78f(b).

²⁰ 15 U.S.C. 78f(b)(5).

registered or non-registered employee affiliated with the Market Maker for which Related Instruments are traded. As such, the Exchange believes Rule 14.11, as amended, would continue to serve to prevent fraudulent and manipulative acts and practices, as well as to protect investors and the public interest from concerns that may be associated with integrated market making and any possible misuse of non-public information.

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 believes that the proposed changes that would (1) amend the requirement for a registered Market Maker in a UTP Derivative Security or BZX-Listed Derivative Security to file with the Exchange a current list identifying Related Instrument Trading Accounts; and (2) eliminate the prohibition that a Member acting as a registered Market Maker in a UTP Derivative Security or BZX-Listed Derivative Security may not trade in a Related Instrument Trading Account that has not been reported to the Exchange, will have no impact on competition.

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

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Exchange consents, the Commission will:

- A. by order approve or disapprove such proposed rule change, or
- B. institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act.

Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-CboeBZX-2025-049 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-CboeBZX-2025-049. 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-CboeBZX-2025-049 and should be submitted on or before May 8, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²¹

Sherry R. Haywood,

Assistant Secretary.

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²¹ 17 CFR 200.30-3(a)(12).