

regulate these firms. Moreover, some of IS's recommendations, such as exempting CABs from the AML rules, are beyond FINRA's authority, since those obligations stem from statutory requirements applicable to all registered broker-dealers.

FINRA believes it is premature to create a separate representative or principal registration category solely for CABs. CABs often have different business models that require different types of registrations. FINRA also believes that it is important for associated persons of CABs to maintain their CE requirements, both to ensure that these persons are current on applicable securities laws, and to ease their transition should they choose to work for a non-CAB broker-dealer.

FINRA appreciates M&R's suggestions to work with both CAB and non-CAB industry members to make them aware of the benefits of CAB registration, and its suggestions to make more compliance tools available to CABs. FINRA agrees that adding to and improving compliance tools and resources benefit the industry and investors.

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 (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization 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-FINRA-2025-005 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-FINRA-2025-005. 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 such filing also will be available for inspection and copying at the principal office of FINRA. 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-FINRA-2025-005 and should be submitted on or before July 7, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁹¹

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2025-10882 Filed 6-13-25; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-103219; File No. SR-CBOE-2025-011]

Self-Regulatory Organizations; Cboe Exchange, Inc.; Notice of Filing of Amendment No. 1 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 1, To Allow Certain Expiring A.M.-Settled Index Options To Trade During the Global Trading Hours Trading Session Immediately Preceding the Expiration Date

June 10, 2025.

On February 26, 2025, Cboe Exchange, Inc. ("Exchange" or "Cboe Options") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² a proposed rule change to allow expiring A.M.-settled non-Volatility index options and Volatility Index options that are eligible for Global Trading Hours ("GTH") to trade during the GTH trading session immediately preceding the expiration date. As a result, expiring A.M.-settled non-Volatility index options would trade through the end of the GTH trading session on the expiration date and expiring A.M.-settled Volatility Index options would trade until 9:00 a.m. ET ("Eastern Time") on the expiration date. The proposed rule change was published for comment in the **Federal Register** on March 17, 2025.³

On April 25, 2025, pursuant to Section 19(b)(2) of the Act,⁴ the Commission designated a longer period within which to approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to disapprove the proposed rule change.⁵ On June 3, 2025, the Exchange submitted Amendment No. 1 to the proposed rule change, which replaced and superseded the proposed rule change as originally filed.⁶ The Commission is publishing

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 102583 (March 11, 2025), 90 FR 12382 ("Notice").

⁴ 15 U.S.C. 78s(b)(2).

⁵ See Securities Exchange Act Release No. 102937, 90 FR 18720 (May 1, 2025). The Commission designated June 15, 2025, as the date by which the Commission shall approve or disapprove, or institute proceedings to determine whether to approve or disapprove, the proposed rule change.

⁶ Amendment No. 1 is available on the Commission's website at: <https://www.sec.gov/comments/sr-cboe-2025-011/srcboe2025011->

⁹¹ 17 CFR 200.30-3(a)(12).

this notice to solicit comments on Amendment No. 1 from interested persons, and is approving the proposed rule change, as modified by Amendment No. 1, on an accelerated basis.

I. Self-Regulatory Organization's Description of the Proposed Rule Change, as Modified by Amendment No. 1⁷

Cboe Exchange, Inc. (the "Exchange" or "Cboe Options") proposes to amend Rule 4.13 (Series of Index Options) to allow for expiring non-Volatility A.M.-settled index options that are eligible for trading during Global Trading Hours ("GTH") to trade through the end of the GTH trading session on expiration day and to allow for expiring Volatility A.M.-settled index options that are eligible for trading during GTH to trade until 9:00 a.m. ET on the expiration date. The text of the proposed rule change is provided in Exhibit 5.

The text of the proposed rule change is also available on the Exchange's website (<http://www.cboe.com/AboutCBOE/CBOELegalRegulatoryHome.aspx>), 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 Rule 4.13 to allow for expiring non-Volatility A.M.-settled index options that are eligible for trading during GTH to trade through the end of the GTH trading session on expiration day.

By way of background, the Exchange currently offers three trading sessions:⁸ Regular Trading Hours ("RTH"), Curb Trading Hours ("Curb"), and Global Trading Hours ("GTH"). Rule 5.1 sets forth the trading hours for the Exchange's RTH, Curb, and GTH trading sessions. Particularly, RTH for transactions in equity options (including options on individual stocks, ETFs, ETNs, and other securities) are the normal business days and hours set forth in the rules of the primary market currently trading the securities underlying the options, except for options on ETFs, ETNs, Index Portfolio Shares, Index Portfolio Receipts, and Trust Issued Receipts the Exchange designates to remain open for trading beyond 4:00 p.m.⁹ but in no case later than 4:15 p.m.¹⁰ RTH for transactions in index options are from 9:30 a.m. to 4:15 p.m., subject to certain exceptions.¹¹ The Curb session is from 4:15 p.m. to 5:00 p.m., for designated classes, Monday through Friday.¹² The Exchange's Rules provide that the Exchange may designate as eligible for trading during Curb any exclusively listed option that the Exchange has designated for trading under Chapter 4, Section B.¹³ Currently, S&P 500 Index options ("SPX"), Cboe Volatility Index options ("VIX"), and Mini-SPX Index options ("XSP") are approved for trading during Curb.¹⁴ The GTH session currently begins at 8:15 p.m. (previous day) and goes until 9:25 a.m. on

Monday through Friday.¹⁵ The Exchange's Rules provide that the Exchange may designate as eligible for trading during GTH any exclusively listed index option designated for trading under Chapter 4, Section B. Currently, SPX, VIX and XSP are approved for trading during GTH.¹⁶

By way of further background, currently, the last day of trading for non-Volatility A.M.-settled index options is the business day preceding the last day of trading in the underlying securities prior to expiration (*i.e.*, on the third Friday of the month).¹⁷ Expiring non-Volatility A.M.-settled index options that are eligible to trade during GTH stop trading at the end of the Curb session (following RTH) on the Thursday prior to expiration day, with settlement on Friday morning (*i.e.*, expiration day); the option's settlement value is determined by the RTH opening price on Friday (*i.e.*, expiration day). The GTH session from Thursday night to Friday morning is considered part of the Friday business day, thus current rules prevent trading in an expiring series during the GTH session on Thursday night and early Friday morning.

Historically, the last day of trading for non-Volatility A.M.-settled index options was the business day preceding the last day of trading in the underlying securities prior to expiration due to technological and operational constraints that existed when options markets first established their settlement procedures. However, these historical limitations have been eliminated with modern technological advances which compress the time required for expiration processing. Further, the introduction and expansion of the GTH session now provides for an additional trading opportunity on the expiration day but prior to the settlement value of the option being determined at the opening of RTH on Friday morning (after the close of the GTH session). This current trading gap between the close of the Curb trading session and the open of RTH exposes market participants to unnecessary risk exposure during potentially volatile periods overnight and immediately prior to expiration.

To provide market participants with an opportunity to mitigate this risk, the

609227-1781374.pdf. Amendment No. 1: (i) revises the proposed rule text to maintain current rule language related to the last day of trading for A.M.-settled non-Volatility index options and Volatility Index options that are not eligible for trading during GTH; (ii) revises the proposed rule text to specify that, on expiration day, GTH-eligible, non-Volatility A.M.-settled index options may trade through the end of the GTH trading session and GTH-eligible, Volatility Index options may trade until 9:00 a.m.; and (iii) adds information and support to the proposal, including representations regarding the proposal's consistency with Section 11A of the Act. See Amendment No. 1.

⁷ Sections I and II herein reproduce Amendment No. 1 as filed by the Exchange.

⁸ The term "trading session" means the hours during which the Exchange is open for trading for Regular Trading Hours, Global Trading Hours or Curb Trading Hours (each of which may be referred to as a trading session), each as set forth in Rule 5.1. Unless otherwise specified in the Rules or the context otherwise indicates, all Rules apply in the same manner during each trading session. See Rule 1.1 (Definitions).

⁹ All times referenced herein are Eastern Time, unless otherwise specifically noted.

¹⁰ See Rule 5.1(b)(1).

¹¹ See Rule 5.1(b)(2).

¹² See Rule 5.1(d).

¹³ See Rule 5.1(d).

¹⁴ If the Exchange designates a class of index options as eligible for trading during Curb, FLEX Options with the same underlying index are also deemed eligible for trading during Curb. See Rule 5.1(d)(1).

¹⁵ See Rule 5.1(c).

¹⁶ If the Exchange designates a class of index options as eligible for trading during GTH, FLEX Options with the same underlying index are also deemed eligible for trading during GTH. See Rule 5.1(c)(1). As a result of this rule change, any index options the Exchange designates as eligible for trading during GTH would be able to trade through the end of the GTH trading session on expiration day.

¹⁷ See Rule 4.13(a)(4).

Exchange proposes to amend its Rules to allow for expiring non-Volatility A.M.-settled index options that are eligible for trading during GTH, to trade through the end of the GTH trading session on expiration day. This would provide market participants, including global market participants for which the GTH trading session is more aligned with their local trading hours, with an expanded timeframe to trade and manage risk for expiring index options through the GTH session prior to settlement, for those non-Volatility A.M.-settled index options that trade during GTH, in the same manner as such index options trade today during GTH prior to non-expiration days. As discussed above, providing market participants the opportunity to trade through the end of the GTH trading session on expiration day will offer investors the ability to manage risk more efficiently, react to global macroeconomic events as they are happening and adjust SPX, VIX and XSP options positions nearly around the clock, including in the time period immediately prior to expiration. The proposed rule change would provide investors with this ability during all GTH sessions for non-Volatility A.M.-settled options, including the GTH session immediately preceding determination of settlement (currently the only GTH session during which these options are unable to trade). This has no impact on options that are not eligible to trade during GTH, as eligible trading for such options will continue to end at the conclusion of the RTH session (or the Curb session, if eligible) on the preceding Thursday.

The Exchange proposes to amend Rule 4.13(a)(4). Currently, Rule 4.13(a)(4) provides that the last day of trading for non-Volatility A.M.-settled index options¹⁸ shall be the business day preceding the last day of trading in the underlying securities prior to expiration. The Exchange proposes to amend Rule 4.13(a)(4) to state that the last day of trading for non-Volatility A.M.-settled index options shall be the business day preceding the last day of trading in the underlying securities prior to expiration, except for those expiring non-Volatility A.M.-settled index options that are eligible for trading during GTH, which may trade through the end of the GTH trading session on expiration day. The Exchange also proposes to amend Rule

4.13(a)(4) to provide that the determination of the current index value at the expiration of an A.M.-settled index option shall occur at the opening of the RTH trading session on expiration day (rather than the last day of trading in the underlying securities prior to expiration day).

The Exchange notes that S&P Index futures and options contracts (offered by the Chicago Mercantile Exchange) are permitted to trade until 9:30 a.m. ET on final settlement date/expiration date. As such, the Exchange believes the proposed change will better align the available trading hours for similar exchange-traded products and provide investors with additional opportunities to more precisely and efficiently manage investment risk, by offering trading on instruments the Exchange understands market participants regularly use to hedge the options currently available for trading during GTH simultaneously during overnight hours.

Similarly, the Exchange proposes to amend Rule 4.13(a)(5)(C). Currently, Rule 4.13(a)(5)(C) provides that the expiration date of a Volatility Index option shall be the same day that the exercise settlement value of the Volatility Index¹⁹ is calculated. Rule 4.13(a)(5)(C) also states that the last trading day for a Volatility Index option shall be the business day immediately preceding the expiration date of the Volatility Index option (except when the last trading day is moved because of an Exchange holiday, the last trading day for an expiring option contract will be the day immediately preceding the last regularly scheduled trading day). Similar to the proposed changes described above for expiring non-Volatility A.M.-settled index options, the Exchange proposes to amend Rule 4.13(a)(5)(C) to remove language regarding last trading day and instead provide that the last trading day for a Volatility Index option shall be the business day immediately preceding the expiration date of the Volatility Index option, except those Volatility Index options that are eligible for trading during GTH, which may trade until 9:00 a.m. ET²⁰ on the expiration date.

The Exchange notes that VIX futures contracts (offered by Cboe Futures Exchange, LLC) are permitted to trade until 9:00 a.m. ET on the final settlement date.²¹ As such, the Exchange believes the proposed change will better align the available trading

hours for related exchange-traded products and provide investors with additional opportunities to manage investment risk. The simultaneous availability of VIX options alongside VIX futures during GTH prior to expiration allows market participants the opportunity to more precisely adjust their volatility exposure if and when overnight events may result in market uncertainty.

The Exchange notes that the proposed rule change makes no changes to the trading rules applicable to GTH.²² The proposed rule change is also consistent with Section 11A of the Act and Regulation NMS thereunder, because it continues to provide for the dissemination of transaction and quotation information during GTH through OPRA, pursuant to the OPRA Plan, which the Commission approved and indicated to be consistent with the Act.

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.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.

The proposed rule change further removes impediments to a free and open market and does not unfairly discriminate among market participants, as all TPHs that trade on the Exchange during GTH may trade expiring non-

¹⁸ The Exchange notes that SPX and XSP are the non-Volatility A.M.-settled index options currently approved for trading during GTH. While the Exchange may list A.M.-settled XSP options, there are none listed as of the date of this filing.

¹⁹ The Exchange notes that VIX is the Volatility A.M.-settled index option currently approved for trading during GTH.

²⁰ See Rule 1.6.

²¹ See Cboe Futures Exchange, LLC Rule 1202(b).

²² Pursuant to Rule 6.4 (Reporting of Trades to OCC), all transactions made on the Exchange during these sessions will continue to be submitted for clearance to the Options Clearing Corporation (“OCC”) in the same manner they are today.

²³ 15 U.S.C. 78f(b).

²⁴ 15 U.S.C. 78f(b)(5).

²⁵ *Id.*

Volatility A.M.-settled index options and expiring Volatility A.M.-settled index options during GTH prior to expiration using the same connection lines, message formats data feeds, and EFIDs they use during RTH and GTH today, minimizing any preparation efforts necessary to participate in the extended trading hours for these products. TPHs will continue not be required to trade during GTH.

Further, the Exchange believes the proposed rule change will remove impediments to and perfect the mechanism of a free and open market and a national market system, because it may provide Users with the ability to better manage their risk pre-settlement in classes that trade during GTH. As noted above, for those classes that trade during GTH, the last trading opportunity currently ends at the close of the Curb session on Thursday despite the fact that there is a GTH trading session that occurs between then and the determination of the settlement value is at Friday's open, leaving the possibility of some overnight risk. The GTH session was originally adopted due to global demand from investors to trade SPX and VIX (and later XSP) options. The GTH session was designed, in general, to provide investors with the ability to manage risk more efficiently, react to global macroeconomic events as they are happening and adjust options positions (in those classes that trade during GTH) nearly around the clock. The Exchange therefore believes that the proposed rule change is consistent with that purpose, as it is reasonably designed to provide an appropriate mechanism for Users to manage risk as options approach expiration, while providing for continued Exchange oversight pursuant to the Act, trade reporting, and surveillance within the GTH trading session. The proposed changes eliminate an unnecessary gap between the time at which trading in expiring option ends and the determination of the settlement value for that option by permitting market participants to trade all expiring A.M.-settled index options during all available trading hours up until the settlement value is determined. This is consistent with expiring A.M.-settled index options that do not trade during GTH (*i.e.*, only during RTH and Curb). As noted above, the Exchange believes the proposed changes allow investors to mitigate risk more efficiently, by providing the opportunity to react to global macroeconomic events as they are happening and adjust options positions (in those classes that trade

during GTH) nearly around the clock, to the benefit of investors.

Further, the Exchange believes that eliminating the unnecessary gap in trading and allowing these A.M.-settled options to trade during the Thursday/Friday GTH session that are part of the expiration Friday business day (the same as occurs on non-expiration weeks) may serve to benefit investors by providing additional trading opportunities for options closer to their expiration. The proposed change will result in minimal impact to current trading systems, as the change will extend trading opportunities only for those expiring A.M.-settled options that currently trade during GTH. As noted above, contracts for related exchange-traded products are permitted to trade until 9:00 a.m. ET (in the case of VIX futures contracts) and 9:30 a.m. ET (in the case of S&P Index futures and options contracts) on final settlement date/expiration date. As such, the Exchange believes the proposed change will better align the available trading hours for similar exchange-traded products and provide investors with additional opportunities to manage investment risk. The proposed rule change has no impact on those A.M.-settled options that do not trade during GTH, as trading for expiring options in those classes will continue to end at the close of RTH on the preceding Thursday as it does today.

The proposed rule change further removes impediments to a free and open market and does not unfairly discriminate among market participants, as all TPHs with access to the Exchange may trade expiring non-Volatility A.M.-settled index options that are eligible for trading during GTH through the end of the GTH trading session on expiration day.

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 that the proposed rule will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act, because all TPHs will be able to trade expiring non-Volatility A.M.-settled index options and expiring Volatility A.M.-settled index options during GTH prior to expiration, for those index options that trade during GTH.

The Exchange does not believe that the proposed rule change will impose any burden on intermarket competition

that is not necessary or appropriate in furtherance of the purposes of the Act, because the proposed rule change relates to the trading hours of options that trade on the Exchange during a trading session that other options exchanges have not made available. Further, the proposed rule changes apply only to products exclusively listed on the Exchange. Ultimately, the Exchange believes the proposed rule change will provide investors with additional opportunities to trade expiring options before settlement, including to manage risk.

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. Discussion and Commission Findings

After careful review, the Commission finds that the proposed rule change, as modified by Amendment No. 1 ("Amended Proposal"), is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange.²⁶ In particular, the Commission finds that the Amended Proposal is consistent with Section 6(b)(5) of the Act,²⁷ which requires, among other things, 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. Further, the Commission finds that the Amended Proposal is consistent with Section 11A(a)(1)(C) of the Act,²⁸ which sets forth Congress' finding that it is in the public interest and appropriate for the protection of investors and the maintenance of fair and orderly markets to assure, among other things, the availability to brokers, dealers, and investors of information with respect to quotations for and transactions in securities, and to assume the

²⁶ In approving the proposed rule change, the Commission has considered its impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

²⁷ 15 U.S.C. 78f(b)(5).

²⁸ 15 U.S.C. 78k-1(a)(1)(C).

practicality of brokers executing investors' orders in the best market.

The Amended Proposal does not raise unique regulatory concerns. In 2014, the Commission approved a proposed rule change by the Exchange to establish extended trading hours (which later became known as GTH) for the Exchange's exclusively listed products (then SPX and VIX), to coincide with regular trading hours in Europe.²⁹ The GTH hours were later expanded, by pushing back the start time for the GTH session from 3:00 a.m. ET on the expiration date to 8:15 p.m. ET on the calendar day immediately preceding the expiration date.³⁰ Due to now-obsolete technological and operational constraints, current Exchange rules prevent trading in an expiring series during the particular GTH session that spans the Thursday night to expiration third-Friday morning.³¹ Since the historical limitations underpinning these rules no longer exist, the Amended Proposal would amend these rules to permit GTH-eligible,³² expiring A.M.-settled non-Volatility index options and Volatility Index options—which already trade during every other GTH session in a given month—to trade during this particular GTH session.

Moreover, the Amended Proposal would make no changes to the trading rules applicable to GTH, and all Trading Permit Holders that trade on the Exchange during GTH could continue to trade during the GTH session immediately preceding expiration using the same functionalities that they use today.³³ In the same manner as occurs currently for GTH trading, all transactions in the particular GTH session covered by the Amended Proposal would be submitted for clearing and all quotation and transaction information would be disseminated through OPRA.³⁴ Further, S&P 500 index futures (and options on those futures) and VIX futures, which

are common hedging instruments for the options covered by the Amended Proposal, already trade until 9:30 a.m. and 9:00 a.m., respectively, on the final settlement date.³⁵ These hedging instruments therefore would be available to market participants during the GTH session for which the Amended Proposal permits trading.

Additionally, the cessation of trading in expiring, GTH-eligible A.M.-settled non-Volatility index options and Volatility Index options at the close of the Curb trading session on the Thursday preceding an expiration third-Friday exposes markets participants to overnight pre-settlement risk, especially during potentially volatile periods, because the settlement value for these products is not determined until the open on expiration Friday. The Amended Proposal would help mitigate this risk by providing market participants, including global market participants for which the GTH trading session is more aligned with their local trading hours, with the ability to trade and manage the risk associated with positions in the applicable expiring index options during the GTH session immediately prior to settlement in the same manner such index options trade today during every other GTH session. This is consistent with the Act, as well as original purpose of GTH, which was designed, in general, to provide investors with the ability to manage risk more efficiently, react to global macroeconomic events as they occur, and adjust applicable option positions nearly around the clock.³⁶

Based on the foregoing and for the above reasons, the Commission finds that the proposed rule change is consistent with the requirements of Section 6(b)(5) of the Act³⁷ in that it is designed to promote just and equitable principles of trade, 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; and is consistent with Section 11A(a)(1)(C) of the Act³⁸ in that it is designed to assure the availability to brokers, dealers, and investors of information with respect to quotations for and transactions in securities, and to assure the practicability of brokers executing investors' orders in the best market.

IV. Solicitation of Comments on Amendment No. 1 to the Proposed Rule Change

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change, as modified by Amendment No. 1, 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-CBOE-2025-011 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-CBOE-2025-011. 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-CBOE-2025-011 and should be submitted on or before July 7, 2025.

²⁹ See Securities Exchange Act Release No. 73704 (November 28, 2014), 79 FR 72044, 72046 (December 4, 2014) (SR-CBOE-2014-062) (order granting accelerated approval of proposed rule change, as modified by Amendments Nos. 1 and 2, to adopt extended trading hours for SPX and VIX) ("Original GTH Approval").

³⁰ See Securities Exchange Act Release No. 93403 (October 22, 2021), 86 FR 59824 (October 28, 2021) (SR-CBOE-2021-061) (notice of filing and immediate effectiveness of proposed rule change to extend the length of its then-current GTH session).

³¹ See Section II, *supra*.

³² The Amended Proposal does not apply to options that are not eligible to trade during GTH, and eligible trading for such options will continue to end at the conclusion of the RTH session (or Curb if eligible) on the Thursday preceding an expiration third-Friday. *Id.*

³³ *Id.*

³⁴ *Id.*

³⁵ *Id.*

³⁶ See Original GTH Approval, *supra* note 29.

³⁷ 15 U.S.C. 78f(b)(5).

³⁸ 15 U.S.C. 78k-1(a)(1)(C).

V. Accelerated Approval of Proposed Rule Change, as Modified by Amendment No. 1

The Commission finds good cause to approve the Amended Proposal prior to the thirtieth day after the date of publication of notice of the filing of Amendment No. 1 in the **Federal Register**. Amendment No. 1 does not change the original purpose of the proposal, which was, and remains under Amendment No. 1, to permit the trading of GTH-eligible, expiring A.M.-settled non-Volatility index options and Volatility Index options during the GTH session immediately preceding the expiration date. In addition, the original proposal was published for comment in the **Federal Register**,³⁹ and no comments have been received.

Amendment No. 1 sets forth additional support for and detail regarding the original filing and clarifies certain rule text provisions. Specifically, Amendment No. 1: (i) revises the proposed rule text to maintain current rule language related to the last day of trading for A.M.-settled non-Volatility index options and Volatility Index options that are not eligible for trading during GTH; (ii) revises the proposed rule text to specify that, on expiration day, GTH-eligible, A.M.-settled non-Volatility Index options may trade through the end of the GTH trading session, and GTH-eligible, A.M.-settled Volatility Index options may trade until 9:00 a.m.; and (iii) adds information and support to the proposal, including representations regarding the proposal's consistency with Section 11A of the Act. The Commission believes that Amendment No. 1, without altering the original proposal's purpose, strengthens the original proposal by providing additional clarity and justification for the proposal's consistency with the Act.

The Commission therefore finds that Amendment No. 1 raises no novel regulatory issues that have not previously been subject to comment and is reasonably designed to promote just and equitable principles of trade, 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. Accordingly, pursuant to Section 19(b)(2) of the Act,⁴⁰ the Commission finds good cause to approve the Amended Proposal on an accelerated basis prior to the 30th day after publication of notice of the filing of Amendment No. 1 in the **Federal Register**.

VI. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Exchange Act,⁴¹ that the proposed rule change (SR-CBOE-2025-011), as modified by Amendment No. 1, be, and hereby is, approved on an accelerated basis.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁴²

Sherry R. Haywood,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-103221; File Nos. SR-DTC-2025-007; SR-FICC-2025-010; SR-NSCC-2025-007]

Self-Regulatory Organizations; The Depository Trust Company; Fixed Income Clearing Corporation; National Securities Corporation; Order Approving a Proposed Rule Changes To Amend the Recovery and Wind-Down Plan To Satisfy the Requirements of Exchange Act Rule 17ad-26

June 10, 2025.

On April 16, 2025, the Depository Trust Company ("DTC"), Fixed Income Clearing Corporation ("FICC"), and National Securities Clearing Corporation ("NSCC," each a subsidiary of The Depository Trust & Clearing Corporation ("DTCC") and each a "Clearing Agency," and collectively, the "Clearing Agencies") filed with the Securities and Exchange Commission ("Commission") proposed rule changes SR-DTC-2025-007, SR-FICC-2025-010, and SR-NSCC-2025-007 ("Proposed Rule Changes") pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Exchange Act" or "Act")¹ and Rule 19b-4 thereunder² to amend the Clearing Agencies' recovery and wind-down plans ("R&W Plans"). The Proposed Rule Changes were published for comment in the **Federal Register** on April 28 and April 29, 2025.³ The Commission did not receive any comments on the Proposed Rule Changes. For the reasons discussed

below, the Commission is approving the Proposed Rule Changes.

I. Background

The Clearing Agencies adopted the R&W Plans in August 2018 and have amended them over time to reflect changes since adoption.⁴ The Clearing Agencies state that they maintain the R&W Plans for compliance with Rule 17ad-22(e)(3)(ii) under the Act.⁵ This rule requires covered clearing agencies to establish, implement, maintain and enforce written policies and procedures reasonably designed to maintain a sound risk management framework for comprehensively managing legal, credit, liquidity, operational, general business, investment, custody, and other risks that arise in or are borne by the covered clearing agency, which, among other things, includes plans for the recovery and orderly wind-down of covered clearing agencies necessitated by credit losses, liquidity shortfalls, losses from general business risk, or any other losses. The Clearing Agencies state that the R&W Plans are intended for use by the Board and the Clearing Agencies' management when the Clearing Agencies encounter scenarios that could potentially prevent it from being able to provide its critical services to the marketplace as a going concern.⁶

Each Clearing Agency's R&W Plan is comprised of two primary sections: (i) the "Recovery Plan," which sets out the tools and strategies to enable the Clearing Agency to recover when experiencing losses that exceed its prefunded resources, and (ii) the "Wind-down Plan," which describes the tools and strategies for conducting an orderly wind-down of the Clearing Agency's business in a manner designed to permit the continuation of its critical services if recovery efforts are not successful.

The Clearing Agencies state that these Proposed Rule Changes amend the R&W Plans to satisfy the requirements of new Exchange Act Rule 17ad-26⁷ ("Rule

⁴ See DTC Notice of Filing, *supra* note 3, at 17669 n.4; FICC Notice of Filing, *supra* note 3, at 17644 n.4; NSCC Notice of Filing, *supra* note 3, at 17840 n.4.

⁵ See DTC Notice of Filing, *supra* note 3, at 17669; FICC Notice of Filing, *supra* note 3, at 17644; NSCC Notice of Filing, *supra* note 3, at 17840. 17 CFR 240.17ad-22(e)(3)(ii). Each of the Clearing Agencies is a "covered clearing agency" as defined in Rule 17ad-22(a)(5) under the Act and must comply with paragraph (e) of Rule 17ad-22. In 2012, each of the Clearing Agencies was designated a systemically important financial market utility ("SIFMU") by the Financial Stability Oversight Council.

⁶ See DTC Notice of Filing, *supra* note 3, at 17669-70; FICC Notice of Filing, *supra* note 3, at 17644; NSCC Notice of Filing, *supra* note 3, at 17840.

⁷ See Covered Clearing Agency Resilience and Recovery and Orderly Wind-down Plan, Exchange

³⁹ See Notice, *supra* note 3.

⁴⁰ 15 U.S.C. 78s(b)(2).

⁴¹ *Id.*

⁴² 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Securities Exchange Act Release Nos. 102908 (Apr. 22, 2025), 90 FR 17669 (Apr. 28, 2025) (SR-DTC-2025-007) ("DTC Notice of Filing"); 102910 (Apr. 22, 2025), 90 FR 17644 (Apr. 28, 2025) (SR-FICC-2025-007) ("FICC Notice of Filing"); 102919 (Apr. 23, 2025), 90 FR 17840 (Apr. 29, 2025) (SR-NSCC-2025-007) ("NSCC Notice of Filing").