

applicable Participation Fee and provided each current Plan Participant with a copy of the executed and amended CAT NMS Plan.¹¹

II. Effectiveness of the Proposed Plan Amendment

The foregoing CAT NMS Plan amendment has become effective pursuant to Rule 608(b)(3)(iii)¹² because it involves solely technical or ministerial matters. At any time within sixty days of the filing of this amendment, the Commission may summarily abrogate the amendment and require that it be refiled pursuant to paragraph (a)(1) of Rule 608,¹³ if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors or the maintenance of fair and orderly markets, to remove impediments to, and perfect the mechanisms of, a national market system or otherwise in furtherance of the purposes of the Act.

III. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the amendment 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 4–698 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 4–698. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<https://www.sec.gov/rules/sro.shtml>). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish

to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number 4–698 and should be submitted on or before September 8, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁴

Sherry R. Haywood,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–103701; File No. SR–CBOE–2025–059]

Self-Regulatory Organizations; Cboe Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Its Rules Related to the Submission of Bids and Offers for Certain Complex Strategies for Execution Using Bulk Message Functionality

August 13, 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 August 12, 2025, Cboe Exchange, Inc. (the “Exchange” or “Cboe Options”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II 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 Exchange, Inc. (the “Exchange” or “Cboe Options”) proposes to amend its Rules related to the submission of bids and offers for certain complex strategies for execution using bulk message functionality. 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>) and at the Exchange's Office of the Secretary.

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

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

The Exchange proposes to amend its Rules regarding the submission of bids and offers for certain complex strategies using bulk message functionality. The primary purpose of bulk message functionality is to encourage market-maker quoting on the Exchange.³ The Exchange's bulk message functionality permits Market-Makers to submit a single electronic message to the Exchange, in which message the Market-Maker may enter, modify, or cancel up to an Exchange-specified number of bids and offers.⁴ Bulk messages are submitted through bulk ports, as set forth in Rule 5.5(c)(3). The System handles a bid or offer submitted in a bulk message in the same manner as it handles a bid or offer submitted in an order message, unless the Rules

³ See Securities Exchange Act Release No. 86374 (July 15, 2019), 84 FR 34963 (July 19, 2019) (SR–CBOE–2019–033). The Exchange notes that a “bulk message” is often referred to as a “quote” or “quote message,” while an “order” and “order message” refer to an order (even if submitted by a Market-Maker, which would be classified as a quote pursuant to the definition of quote in Rule 1.1). This is relevant for purposes of the reporting exemption for options market-maker quote in the CAT NMS Plan (“CAT”). See CAT Section 6.4(d)(iii); see also CAT FAQ K10 (which provides that each options exchange determines which messages submitted by options market-makers are subject to the exemption) and Cboe Options Regulatory Circular 20–044 (July 7, 2020) (which requires Market-Maker bulk message quotes include quote sent time in accordance with the exemption and notes that other messages, such as order and auction response messages, sent by Market-Makers are not subject to the exemption).

⁴ See Rule 1.1 (definition of bulk message). The proposed rule change amends the definition of bulk message in Rule 1.1 to correct a cross-reference. The proposed rule change amends Rule 5.5(c)(3)(A) to clarify that bulk messages may be submitted by Market-Makers only, which is consistent with the definition of bulk message that states a bulk message must have an M Capacity (which, per the definition of Capacity in Rule 1.1, is the code corresponding to the account of a Market-Maker).

¹¹ See Letter from David Sassoon, General Senior Counsel, 24X National Exchange LLC, dated August 6, 2025, to Vanessa Countryman, Secretary, U.S. Securities and Exchange Commission.

¹² 17 CFR 242.608(b)(3)(iii).

¹³ 17 CFR 242.608(a)(1).

¹⁴ 17 CFR 200.30–3(a)(85).

¹⁵ U.S.C. 78s(b)(1).

¹⁷ 17 CFR 240.19b–4.

otherwise specify. While the definition in the rules for bulk messages (*i.e.*, quotes) applies to both simple and complex bids and offers, the Exchange currently offers bulk message functionality only for simple bids and offers. However, the Exchange plans to expand the use of this functionality to complex bids and offers for Exchange-designated strategies,⁵ and this filing amends certain rules in connection with this planned expansion of functionality.

In 2024, the Exchange amended its Rules to encourage increased, consolidated liquidity in complex strategies on the complex order book (“COB”).⁶ Specifically, Rule 5.33(a) permits the Exchange to create new complex strategies to allow for the consolidation of liquidity within a single complex strategy that may otherwise be spread across multiple customer-created complex strategies expressing similar exposure profiles. Additionally Rule 5.33(b)(2)(A) permits complex orders with a Market-Maker capacity (M or N) to enter complex orders to rest in the COB in Exchange-designated complex strategies to support this consolidation of liquidity. The proposed rule change enhances current functionality to further support the consolidation of liquidity within certain complex strategies rather than have liquidity spread across complex strategies with the same or similar exposure risk profiles. Specifically, it will permit Market-Makers to use the same bulk message functionality they generally use to provide liquidity in simple markets (rather than only be able to use order message functionality) in the complex strategies designated by the Exchange pursuant to Rule 5.33(b)(2)(A). As noted above, bulk message functionality will permit Market-Makers to submit new or updated bids and offers for multiple complex strategies in a single message. This functionality is consistent with

Market-Makers’ quoting systems that update quotes in response to market conditions and will permit Market-Makers to update quotes in more complex strategies on a regular basis. Currently, Market-Makers need to submit an individual order for each complex strategy in which they want to submit a bid or offer. The Exchange believes providing Market-Makers with this functionality for Exchange-designated strategies will encourage Market-Makers to add more liquidity into these strategies.⁷

The proposed rule change first adopts Rule 5.5(c)(3)(A)(ii) to impose similar requirements on bulk messages comprised of complex bids and offers to the requirements imposed on quote messages comprised of simple bids and offers.⁸ Specifically, proposed Rule 5.5(c)(3)(A)(ii) provides that bulk messages comprised of complex bids and offers must have a Time-in-Force of Day.⁹ This is consistent with the purpose of bulk ports, including for Exchange-designated strategies, which are intended to be used for liquidity provision on the Exchange (particularly Market-Makers).¹⁰ In turn, the Exchange believes it is unnecessary to allow orders entered via bulk ports to be able to last beyond the trading day on which they were entered. This is consistent with why bulk messages were initially limited to a Time-in-Force of Day when Cboe migrated its prior quoting functionality to its new technology in 2019. As noted when the Exchange adopted quote functionality, the Exchange understands it to be common practice in the industry for Market-Makers to enter new quotes at the

beginning of a trading day based on then-current market conditions.¹¹

Unlike simple bulk messages, the Exchange does not propose to permit complex bulk messages to be designated as Immediate-or-Cancel (“IOC”).¹² The Exchange previously amended Rules 5.5(c) and 5.6(d) to permit appointed Market-Makers to designate bulk messages as IOC, as the Exchange understood that some appointed Market-Makers updated bulk message bids and offers with the specific purpose of removing interest in the simple book.¹³ As noted when the Exchange adopted that functionality, in addition to providing liquidity via continuous quotes in Market-Makers’ appointed classes, a Market-Maker is also required to maintain active markets in its appointed classes and update quotations in response to changed market conditions in its appointed classes.¹⁴ The Exchange is initially expanding bulk message functionality for complex strategies to encourage the provision of liquidity on the COB for Exchange-designated strategies, including to provide competitive markets to customers for these strategies, and thus initially does not desire to make the IOC designation available to complex bulk messages, the purpose of which is to remove liquidity.¹⁵ As there are no appointments with respect to complex strategies and thus no quoting obligations for Market-Makers with respect to complex strategies, the Exchange does not believe it is necessary at this time to permit IOC complex quotes, given that part of the

¹¹ See Securities Exchange Act Release No. 86374 (July 15, 2019), 84 FR 34963, 34967 (July 19, 2019) (SR-CBOE-2019-033).

¹² See proposed Rule 5.6(d) (definition of IOC).

¹³ See Securities Exchange Act Release No. 92988 (September 15, 2021), 86 FR 52521 (September 21, 2021) (SR-CBOE-2021-053). The Exchange proposes to amend current Rule 5.5(c)(3)(A)(i) (proposed Rule 5.5(c)(3)(A)(i)(a)) and the definition of IOC in Rule 5.6(d) to clarify that the IOC designation on simple quotes is permissible only for a Market-Maker with an appointment in a class. As noted above, this is consistent with the rule filing in which that proposed rule change was adopted. The Exchange inadvertently did not make the distinction in the rule text.

¹⁴ *Id.* at 52521.

¹⁵ Permitting only appointed Market-Makers to submit IOC simple quotes is also consistent with current Rule 5.5(c)(3)(B), which requires Market-Makers to designate simple orders submitted through bulk ports as Post Only or Book Only, while all other Users may submit only Post Only orders through bulk ports (and thus may not remove liquidity). As further discussed below, complex orders submitted through bulk ports must be Post Only (as is the case for Users other than appointed Market-Makers for simple orders), and thus the proposed rule change is consistent with the current restrictions on removing liquidity through bulk ports.

⁷ Proposed Rule 5.5(c)(3)(A)(ii) states that complex quotes may be submitted on in Exchange-designated complex strategies.

⁸ The proposed rule change makes a nonsubstantive change to add Rule 5.5(c)(3)(A)(i) to contain the current provisions related to simple quotes (including adding introductory language to make clear that provision applies to bulk messages comprised of simple bids and offers changing current subparagraphs (i), (ii), and (iii) to proposed subparagraphs (a), (b), and (c)).

⁹ Rule 5.6(d) defines a “Day” order as an order or quote that, if not executed, expires at the Regular Trading Hours (“RTH”) market close for all RTH Only orders and expires at the Curb market close for all All Sessions and RTH and Curb orders. The definition already provides that Market-Makers may designate bulk messages as Day. The Exchange proposes to correct a cross-reference in the introductory language in Rule 5.6(d), which currently points to Rule 5.6(j) regarding bulk message Time-in-Force restrictions, but such paragraph does not exist, as those restrictions are in Rule 5.5(c)(3).

¹⁰ The Exchange notes it currently has authority to determine which Times-in-Force are available for complex orders under Rule 5.33(b)(1).

⁵ Pursuant to Rule 5.33(b)(2)(A), the Exchange may designate complex strategies in which a complex order with Capacity M or N may enter the COB. These designated complex strategies (which the Exchange announces pursuant to Rule 1.5) are the complex strategies in which Market-Makers may submit complex bulk messages.

⁶ See Securities Exchange Act Release No. 100081 (May 8, 2024), 89 FR 42007 (May 14, 2024) (SR-CBOE-2024-015). The proposed rule change adds to the definition of complex strategy in Rule 5.33(a) that Exchange-designated complex strategies are available for trading during RTH only, as the Exchange does not publicize which strategies will be available until prior to the RTH trading session. If a User wanted to trade in that complex strategy during other trading sessions, it may continue to do so by submitting that complex instrument creation request as it would for any other complex strategy during those trading sessions.

Exchange's purpose of providing that functionality for simple quotes to Market-Makers was to assist them with satisfying their quoting obligations.

Similarly, proposed Rule 5.5(c)(3)(A)(ii)(b) requires that a bulk message comprised of bids and offers for complex strategies be designated as Post Only.¹⁶ The purpose of a Post Only instruction is to add displayed liquidity to the book. Therefore, restricting complex bulk messages to Post Only is consistent with the purpose of the proposed expansion of bulk message functionality to complex bids and offers. This is consistent with current bulk message functionality for simple bids and offers, which requires bulk messages submitted by non-appointed Market-Makers to be Post Only. Market-Maker appointments, and thus quoting obligations with respect to those appointments, do not apply to complex strategies.¹⁷ Therefore, with respect to complex bulk messages, the concept of appointed Market-Makers is not applicable, and thus all Market-Makers are equivalent to non-appointed Market-Makers with respect to complex bulk messages. One of the primary reasons the Exchange provides appointed Market-Makers with the ability to also designate bulk messages for simple bids

and offers as Book Only (which may remove liquidity)¹⁸ is to provide them with additional tools to meet their quoting obligations in a manner they deem appropriate. As noted above, quoting obligations do not apply to complex strategies, so that purpose does not exist with respect to complex bulk messages. As the Exchange's primary purpose of expanding bulk message functionality to complex orders is to enhance liquidity provision within Exchange-designated complex strategies and Market-Makers will not be subject to quoting obligations with respect to these strategies, the Exchange believes limiting complex bulk messages to Post Only is appropriate. The Exchange notes users may continue submit complex orders with the Book Only instruction, or any other instruction the Exchange permits pursuant to Rule 5.33(b), through other ports in the same manner as they do today.

Proposed Rule 5.5(c)(3)(A)(ii)(c) permits Market-Makers to apply the same match trade prevention ("MTP") modifiers to complex bulk messages that are permitted for simple bulk messages. Specifically, Market-Makers may establish a default MTP modifier of MTP Cancel Newest ("MCN"), MTP Cancel Oldest ("MCO"), or MTP Cancel Both ("MCB"),¹⁹ and a default value of attributable or non-attributable, for a bulk port, each of which applies to all bulk messages submitted to the Exchange through that bulk port.²⁰ Allowing the same three MTP modifiers for complex bulk messages that are available for simple bulk messages will provide Market-Makers with additional control over the circumstances in which their bulk message bids and offers (and resting orders (including bulk message bids and offers)) will interact with each other. The Exchange does not believe there is demand by Market-Makers for the other MTP modifiers for bulk messages. The Exchange notes all Market-Makers may continue to apply all MTP modifiers to complex orders submitted through a bulk port or any other type of port.

As is the case for simple orders, all Users²¹ (not just Market-Makers, as is the case for quotes) may submit single complex orders through a bulk port²² in

the same manner as users may currently submit complex orders to the Exchange through any other type of port.²³ Currently, with respect to simple orders submitted through bulk ports, a Market-Maker with an appointment in a class must designate an order for that class as Post Only or Book Only, and non-appointed Market-Makers must designate a bulk message as Post Only (both of which are consistent with the restrictions for simple quotes, as discussed above). The Exchange believes it is appropriate for orders submitted through bulk ports to be subject to the same restrictions on adding and removing liquidity as bulk messages submitted through bulk ports, so that orders submitted through bulk ports do not have an advantage over bulk messages, and vice versa.²⁴ To that end, the proposed rule change amends current Rule 5.6(c)(3)(B) (proposed Rule 5.6(c)(3)(B)(i)) to provide that a User must designate an order as Day or GTD (the date of which must be for the date on which the order was entered)²⁵ to be consistent with the requirement that a simple quote must be designated as Day (except for appointed Market-Makers who may also designate a simple quote as IOC). Such a GTD order is practically equivalent to a Day order, as both would be available for execution on that specific date only (and until a specific time with respect to a GTD). Similarly, proposed Rule 5.6(c)(3)(B)(ii) requires a User to designate a complex order submitted through a bulk port as Day or GTD (the date of which must be for the date on which the order was entered). This restriction is consistent with the purpose of bulk ports, which, as discussed above, is to encourage liquidity provision, which generally involves providing bids and offers reflecting then-current market conditions. The Day and GTD (the date

to the restrictions set forth in proposed Rule 5.5(c)(3) (as discussed above). Users may continue to submit complex orders through any other port as they do today.

²³ The Exchange proposes to delete the language "in the same manner as Users may submit orders to the Exchange through any other type of port, including designated with any Order Instruction and any Time-in-Force in Rule 5.30." This is not a substantive change, as it is still true. However, the Exchange believes simplifying the provision to solely reference the exceptions to the submission of orders (as is done for quotes (bulk messages) in proposed Rule 5.5(c)(3)(A)) simplifies the rule text.

²⁴ See Securities Exchange Act Release No. 86374 (July 15, 2019), 84 FR 34963, 34968 (July 19, 2019) (SR-CBOE-2019-033).

²⁵ A "Good-till-Date" or "GTD" order is an order, if after entry into the System is not fully executed, the order (or unexecuted portion) remains available for potential display or execution (with the same timestamp) until a date and time specified by the entering User unless cancelled by that User. See Rule 5.6(d) (definition of GTD).

¹⁶ Rule 5.6(c) defines "Post Only" as an order the System ranks and executes pursuant to Rule 5.32 (subject to the Price Adjust process), as applicable, except the order or quote may not remove liquidity from the book or route away to another exchange.

¹⁷ See Rule 5.33, Interpretation and Policy .01. The Exchange proposes a clarifying change to Rule 5.33, Interpretation and Policy .01 to note that Interpretation and Policy .02 does include an exception to the statement made in Interpretation and Policy .01 that the Exchange does not take into account a Market-Maker's complex orders entered in its appointed classes when determining whether a Market-Maker meets its quoting obligations pursuant to Rule 5.52. While that is true, pursuant to Rule 5.33, Interpretation and Policy .02, there is one exception to this, which is that the Exchange does consider a Market-Maker's executions in complex strategies within its appointed classes to determine whether the Market-Maker exceeds electronic volume thresholds pursuant to Rule 5.52(d)(1) and (d)(2) (which in turn determines what that Market-Maker's quoting obligations may be). This has no impact on a Market-Maker's quoting obligations and is merely adding clarity to the Rules. Additionally, the Exchange proposes to add the phrase "and quotes" to Rule 5.33, Interpretation and Policy .02. This is a nonsubstantive clarification. Given the interpretation and policy relates specific to Market-Makers, and the term quote (with respect to electronic trading) means a firm bid or offer a Market-Maker submits electronically in an order or bulk message (see definition of "quote" in Rule 1.1), this Interpretation and Policy already applies to quotes, and the proposed rule change merely provides additional transparency and clarity within the rules. Similarly, the proposed rule change adds a nonsubstantive clarification to the definition of "complex order" in Rule 1.1 to reference quotes in addition to orders. Market-Makers may currently submit complex orders, which by definition would be considered quotes.

¹⁸ See Rule 5.6(c) (definition of Book Only).

¹⁹ See Rule 5.6(c) for definitions of MTP modifiers.

²⁰ See proposed Rule 5.5(c)(3)(A)(ii)(c).

²¹ The term "User" means any Trading Permit Holder ("TPH") or Sponsored User (see Rule 3.60) authorized to obtain access to the Exchange's trading system. See Rule 1.1 (definition of User).

²² The proposed rule change makes a conforming change to Rule 5.33(b)(4) to provide that Users may submit complex orders through bulk ports, subject

of which must be for the date on which the order was entered) restriction for orders submitted through bulk ports supports that and reflects current industry practice in which liquidity providers submit new bids and offers at the beginning of a trading day (as discussed above).

Additionally, the proposed rule change requires a complex order submitted through a bulk port to be designated as Post Only, as is the case for simple orders submitted by all Users other than appointed Market-Makers.²⁶ The Exchange believes this will encourage users that may not have quoting systems to provide liquidity to the Exchange. This is consistent with simple orders that users other than appointed Market-Makers may submit through bulk ports (as discussed above, the distinction for appointed Market-Makers is unnecessary for complex bulk messages and orders submitted through bulk ports). Because there are no time-in-force restrictions on orders submitted through bulk ports, users may allow their liquidity to rest on the Exchange for multiple trading days, if users so choose. This will also provide users with additional control over the orders they use to provide liquidity to the Exchange through bulk ports. The Exchange believes it is appropriate for orders submitted through bulk ports to be subject to the same restrictions on adding and removing liquidity as bulk messages submitted through bulk ports, so that orders submitted through bulk ports do not have an advantage over bulk messages, and vice versa. As noted above, users may continue submit complex orders with the Book Only, or any other instruction the Exchange permits pursuant to Rule 5.33(b), through other ports in the same manner as they do today. As noted above, the requirements set forth in proposed Rule 5.5(c)(3)(B)(ii) impose the same restrictions on adding and removing liquidity using complex orders submitted through bulk ports as complex bulk messages, so that orders submitted through bulk ports do not have an advantage over bulk messages, and vice versa.²⁷

Users will also be able to submit auction responses for complex order auctions (such as COAs) in the same

manner as they may currently submit auction responses to the Exchange through any other type of port.²⁸ The proposed rule change merely adds the ability for Users that decide to obtain bulk ports to submit auction responses through that port, rather than maintain a separate port for that purpose. This is consistent with the purpose of bulk ports, as auction responses are a form of liquidity provision given their purpose is to trade against an exposed auction order at potentially improved prices (and auction responses are currently permitted in bulk ports for simple auctions).

Current Rule 5.7(a) provides that a user may only enter one bid and one offer for a series per EFID per bulk port. The proposed rule change similarly provides that Users may only enter one bid and one offer for a complex strategy per EFID per bulk port. The addition of "complex strategy" to this rule provision conforms to the changes in this rule filing that permit complex interest to be submitted through bulk ports. The Exchange believes the proposed rule change, as was the case for simple interest submitted through bulk ports, will encourage users that use bulk port functionality to submit bids and offers for a complex strategy to submit their best bids and offers in that strategy and thus provide displayed liquidity to the market and contribute to price discovery. Note firms may have multiple EFIDs and multiple bulk ports and thus will have the ability through separate ports or EFIDs to submit additional bids and offers using bulk messages in the same strategy if they choose.

Generally, the System will handle bulk message bids and offers for complex strategies in the same manner as it handles orders and quotes with the same order instructions and times-in-force that will be applied to bulk messages, including prioritizing, displaying, and executing them pursuant to Rule 5.33. The proposed rule change makes the following changes to Rule 5.33 with respect to complex bulk messages:

- The proposed rule change amends Rule 5.33(b)(1) to add a cross-reference to proposed Rule 5.5(c)(3) regarding the proposed restriction on Time-in-Force applicable to complex bulk messages (which as discussed above may only have a Time-in-Force of Day).

- The proposed rule change amends the definition of a COA-eligible complex order in Rule 5.33(c)(5) to provide that a complex bid or offer submitted in a bulk message is not COA-eligible. This

is consistent with the purpose of quote message functionality, which is to provide liquidity to the book (COB in the case of complex quotes).²⁹ The purpose of complex bulk messages will be to enter the COB to execute against COA-d orders (users may also submit COA responses through bulk ports, as discussed above).

- Similarly, the proposed rule change adds Rule 5.33(g)(7) to provide that a complex bid or offer submitted in a bulk message does not leg into the simple book to execute against simple orders and quotes resting in the simple book.³⁰ As discussed above, given the purpose of complex bids and offers submitted in bulk messages is to provide displayed liquidity in the COB, such purpose would not be achieved if these bids and offers legged into the simple book for execution. Even though a bid or offer submitted in a complex order may leg into the simple book (if not marked complex only or Post Only), but the same bid or offer in a complex bulk message would not, the Exchange believes this is consistent with all of the proposed complex quote restrictions discussed above, which are to create resting liquidity in the COB and not remove any liquidity. Legging into the simple book is a type of removal, and that would be inconsistent with the proposed rule change that bulk messages must be Post Only. Currently, a Post Only complex order does not leg into the simple book.³¹ Additionally, a simple bulk message must be Post Only and thus not may remove liquidity from the simple book. Therefore, not having a complex bid or offer submitted in a bulk message be able to remove liquidity from the simple book is consistent with the restrictions currently applicable to simple bulk messages that non-appointed Market-Makers may submit today, merely extended to complex bulk messages. Market-Makers and other liquidity providers separately may submit simple bids and offers for the purpose of providing liquidity to simple orders resting in the simple book, or submit complex orders through another port type that would have the opportunity to leg into the simple book (depending on prices available on that book).

Finally, the proposed rule change moves the bulk message fat finger check from current Rule 5.34(a)(5) to proposed

²⁶ See proposed Rule 5.5(c)(3)(B)(ii). The proposed rule change creates subparagraphs (i) and (ii) within Rule 5.5(c)(3)(B) to distinguish between simple and complex orders submitted through a bulk port and adds introductory language to proposed subparagraph (i) to indicate that subparagraph relates to simple orders.

²⁷ See Securities Exchange Act Release No. 86374 (July 15, 2019), 84 FR 34963, 34968 (July 19, 2019) (SR-CBOE-2019-033).

²⁸ See Rule 5.5(c)(3)(C).

²⁹ The purpose of an auction, such as COA, is to attempt to find liquidity against which the auctioned order may execute upon submission to the Exchange, including at potentially improved prices.

³⁰ This is consistent with the "Complex Only" instruction available to Market-Makers.

³¹ See Rule 5.33(g)(4).

Rule 5.34(c)(12), as it will apply to bulk messages containing simple or complex bids and offers. The proposed rule change amends the check solely to include reference to the synthetic national best bid or offer (“SNBBO”), which will be the reference point for complex bulk messages (rather than the national best bid or offer which applies to simple bulk messages). It will otherwise apply to complex bulk message bids and offers in the same manner as it applies to simple bulk message bids and offers.

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.³² Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)³³ 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)³⁴ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, the Exchange believes the proposed rule change to adopt complex bulk message functionality, as described above, will remove impediments to and perfect the mechanism of a free and open market and, in general, protect investors, by encouraging further provision and consolidation of liquidity for complex strategies and increasing execution opportunities for customers. The Exchange began listing Exchange-designated complex strategies in June 2024³⁵ to address fragmentation of liquidity across multiple customer-created complex instruments expressing a similar exposure profile. The creation

of complex strategies, including commonly traded ones, has allowed for the consolidation of liquidity within a single complex strategy that was otherwise spread across multiple customer-created complex instruments expressing the same or similar exposure profiles to increase execution opportunities at more competitive prices, to the benefit of investors. The Exchange understands from Market-Makers that they would be able to enhance their liquidity provision for these strategies if they could use the same quote functionality (bulk messages) for these strategies as they do for individual series. The proposed rule change accommodates the expansion of bulk message functionality to be used for these Exchange-designated complex strategies, which the Exchange believes will further increase liquidity in these often commonly traded strategies. This may lead to more interest with displayed prices on the COB to indicate to customers the prices at which liquidity providers are willing to trade against their complex strategies, which may lead to more competitive pricing and additional execution opportunities, to the benefit of investors.

As proposed, bulk port functionality for complex bids and offers will be available to all Users (including all Market-Makers with respect to complex bulk messages) in a substantially similar manner it is currently available for simple orders and quotes for all Users other than appointed Market-Makers. As discussed above, Market-Makers have no quoting obligations for complex strategies, and thus it is reasonable to impose the same restrictions on complex bulk messages and complex orders submitted through bulk ports that apply to simple bulk messages and simple orders submitted through bulk ports by all Users other than appointed Market-Makers. Specifically, complex bulk messages and orders must be designated as Post Only, which is consistent with requirements for simple bulk messages and orders submitted through bulk ports for users other than appointed Market-Makers. The Day and Post Only requirements, as well as not permitting complex bulk messages to leg into the simple markets or initiate COAs (which is the case today for Post Only complex orders), are consistent with the ultimate purpose of bulk port functionality, which is to provide consolidated liquidity to the COB. The Exchange notes all Users may continue to submit complex orders for any complex strategy with any Time-in-Force and Order Instruction otherwise permissible under Rule 5.33 through

any port as they do today. The proposed rule change is accommodating an expansion of current quoting functionality to Market-Makers to provide them with more tools and flexibility to provide liquidity to the COB within commonly traded complex strategies, which the Exchange believes may further consolidate liquidity for these complex strategies, which may ultimately lead to more competitive pricing for these strategies as well as increased execution opportunities for customers within these strategies. This may result in more efficient execution of complex interest and will provide users with additional flexibility and increased functionality on the Exchange’s System, which may benefit all investors.

The proposed rule change to apply the bulk message fat finger check to complex quotes will protect investors and the public interest and maintain fair and orderly markets by mitigating potential risks associated with market participants entering complex quotes at unintended prices, and risks associated with quotes trading at prices that are extreme and potentially erroneous, which may likely have resulted from human or operational error. The fat finger check will apply to complex quotes in the same manner it does to simple quotes, except it will use complex pricing (SNBBO) rather than simple pricing (NBBO).

The proposed rule change to permit Market-Makers to enter complex orders as GTD for the same day will protect investors and the public interest, as a GTD for a specific day is functionally equivalent to a Day Order, so it provides Users with additional flexibility regarding the entry of orders through bulk ports. Users may achieve the same result as a GTD for the same day to be available up to a specific time by submitting an order with a Day instruction and then cancelling it at that time. A GTD order to expire at the close of trading on a specific day achieves the same result as a Day order.

The proposed rule change to clarify that the IOC designation on simple quotes is available only to an appointed Market-Maker will benefit investors by adding transparency and clarity to the Rules. As discussed above, this language was inadvertently omitted when the Exchange previously amended its rules to permit an IOC designation on simple quotes. It is consistent with current Rule 5.5(c)(3)(A)(ii), which permits appointed Market-Makers to remove liquidity (with a Book Only instruction) while other Market-Makers may only add liquidity (with a Post Only instruction). As discussed above, the Exchange amended its Rules to permit

³² 15 U.S.C. 78f(b).

³³ 15 U.S.C. 78f(b)(5).

³⁴ *Id.*

³⁵ See Exchange Notice C2024040200, available at Cboe Options Exchange Announces Quoted Spread Book in Designated SPX/SPXW Complex Instruments.

the IOC instruction on simple quotes because it understood that some appointed Market-Makers updated quotes with the specific purpose of removing interest in the simple book.³⁶ As noted in that rule filing, in addition to providing liquidity via continuous quotes in Market-Makers' appointed classes, a Market-Maker is also required to maintain active markets in its appointed classes and update quotations in response to changed market conditions in its appointed classes.³⁷ This proposed rule change merely codifies what is permissible today in accordance with the Exchange's previous filing.

The Exchange believes the various nonsubstantive proposed rule changes (Rules 1.1, 5.5(c)(3), 5.6(d) (introductory paragraph and definition of IOC), 5.33(a) (definition of complex strategy), (b)(1), and Interpretations .01 and .02) will protect investors and the public interest, as they add transparency and clarity to the Rules, which may reduce potential confusion for investors. Because they are nonsubstantive clarifications, they have no impact on investors or trading on the Exchange.

The proposed rule change is consistent with the CAT NMS Plan ("CAT Plan"), as complex quotes will be reported to the Consolidated Audit Trail ("CAT") in the same manner as simple quotes are currently reported to the CAT. As set forth in Section 6.4(d)(iii) of the CAT Plan and Exchange Rule 7.22(a)(3), an Options Market Maker (as defined in the CAT Plan) is not required to report to CAT information regarding quotes and instead must report the quote sent time to the applicable options exchange, which time the exchange will then report to CAT in lieu of reporting by the Options Market Maker. In connection with this provision,³⁸ the Exchange issued a regulatory circular stating which types of messages submitted to the Exchange from Market-Makers were subject to that exemption.³⁹ Specifically, bulk

messages (*i.e.*, quote messages) (which may only be submitted by Market-Makers as discussed above) must include a quote sent time, and Market-Makers would not be required to send the data regarding bulk messages to CAT, while Market-Makers would be required to send data regarding order messages directly to CAT. Currently, Market-Makers send data regarding complex order messages to CAT in accordance with Exchange Rules and the CAT Plan. The proposed complex bulk message (*i.e.*, quote message) functionality would be subject to the exemption in the same manner as simple quoting functionality currently is. In other words, Market-Makers will need to include a quote sent time on their complex bulk messages and would not be required to send the data regarding those complex bulk messages to CAT, but would need to continue sending data regarding complex order messages directly to CAT. While this may result in complex interest that is currently reported directly by Market-Makers to CAT no longer being reported if Market-Makers instead use complex bulk messages rather than complex order messages to submit interest to the Exchange, it is consistent with the OMM Exemption Approval. Specifically, the Commission stated "[t]o the extent the options exchanges would report the same data otherwise reported by Options Market Makers in an efficient, accurate and reliable manner, then the ability of the Commission and the SROs to access and use CAT Data should not be adversely affected. Moreover, the potentially lower cost associated with eliminating duplicative reporting and storage of such data represents a possible benefit."⁴⁰ The Exchange will report the same data with respect to Market-Maker complex bulk messages in the same manner it reports data with respect to Market-Maker simple bulk message, and thus regulators will have access to sufficient information for regulatory purposes. The fact that a bid or offer in a complex bulk message represents strategies of two or more legs rather than a single leg as is the case for a bid or offer in a simple bulk message has no impact on this finding.

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 change will impose any

burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act, because bulk port functionality for complex strategies will be available to all users in the same manner. It will work in the same manner as bulk port functionality currently available for simple interest for all Users, including Market-Makers (other than appointed Market-Makers, which is not applicable in the complex market, as discussed above). Use of bulk port functionality for complex interest is also voluntary, and all Users may continue to submit complex interest through other ports in the same manner they do today. 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 many exchanges offer quoting functionality similar to bulk message functionality, at least one of which makes that quoting functionality available for complex interest.⁴¹

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 written comments on the proposed rule change.

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

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act⁴² and subparagraph (f)(6) of Rule 19b-4 thereunder.⁴³

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such

³⁶ See Securities Exchange Act Release No. 92988 (September 15, 2021), 86 FR 52521 (September 21, 2021) (SR-CBOE-2021-053). The Exchange proposes to amend current Rule 5.5(c)(3)(A)(i) (proposed Rule 5.5(c)(3)(A)(i)(a)) and the definition of IOC in Rule 5.6(d) to clarify that the IOC designation on simple quotes is permissible only for a Market-Maker with an appointment in a class. As noted above, this is consistent with the rule filing in which that proposed rule change was adopted. The Exchange inadvertently did not make the distinction in the rule text.

³⁷ *Id.* at 52521.

³⁸ Securities Exchange Act Release No. 77265 (March 1, 2016), 81 FR 11856 (March 7, 2016) ("OMM Exemption Approval").

³⁹ See Regulatory Circular 20-044 (July 7, 2020), available at RC20-044 Options Market Maker Quote SendTime Requirements for CAT Reporting.

⁴⁰ OMM Exemption Approval at 11858.

⁴¹ See, e.g., Miami International Securities Exchange, LLC ("MIAX") Rule 518, Interpretation and Policy .02 (which permits complex bids and offers to be submitted as "eQuotes," as defined in MIAX Rule 517).

⁴² 15 U.S.C. 78s(b)(3)(A)(iii).

⁴³ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) 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.

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 shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-CBOE-2025-059 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-2025-059. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<https://www.sec.gov/rules/sro.shtml>). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-CBOE-2025-059 and should be submitted on or before September 8, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁴⁴

Sherry R. Haywood,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-103696; File No. SR-CBOE-2025-057]

Self-Regulatory Organizations; Cboe Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Certain Lead Market-Maker ("LMM") Incentive Programs by Increasing or Decreasing Quote Width and Size Requirements, and Increasing or Decreasing Rebate Amounts, as Applicable, and To Amend the Fees Schedule To Include Further Clarifying Information Regarding the Operation of Its LMM Incentive Programs

August 13, 2025.

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 August 7, 2025, Cboe Exchange, Inc. (the "Exchange" or "Cboe Options") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

Cboe Exchange, Inc. (the "Exchange" or "Cboe Options") proposes to amend certain Lead Market-Maker ("LMM") Incentive Programs by increasing or decreasing quote width and size requirements, and increasing or decreasing rebate amounts, as applicable, and to amend the Fees Schedule to include further clarifying information regarding the operation of its LMM Incentive Programs. 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 (https://www.cboe.com/us/options/regulation/rule_filings/) and at the Exchange's Office of the Secretary.

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

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed

any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

The Exchange proposes to amend its Fees Schedule.³

The Exchange proposes to amend its Fees Schedule in connection with certain LMM Incentive Programs. Specifically, the Exchange proposes to amend its Global Trading Hours ("GTH") Cboe Volatility Index ("VIX") options and VIX Weekly ("VIXW") options LMM Incentive Programs, GTH S&P 500 Index ("SPX") options and SPX Weekly ("SPXW") options LMM Incentive Programs, GTH Mini-SPX Index ("XSP") options LMM Incentive Programs, Cboe Mini Bitcoin U.S. ETF Index ("MBTX") options and MBTX Weekly ("MBTXW") options LMM Incentive Program, Cboe Bitcoin U.S. ETF Index ("CBTX") options and CBTX Weekly ("CBTXW") options LMM Incentive Program, and S&P 500 Equal Weight Index ("SPEQX") options LMM Incentive Program.

All LMM Incentive Programs provide a rebate to Trading Permit Holders ("TPHs") with LMM appointments to the respective incentive program that meet certain quoting standards in the applicable series in a month. The Exchange notes that meeting or exceeding the quoting standards (both current and as proposed; described in further detail below) in each of the LMM Incentive Program products to receive the applicable rebate (both currently offered and as proposed; described in further detail below) is optional for an LMM appointed to a program. Particularly, an LMM appointed to an incentive program is eligible to receive the corresponding rebate if it satisfies the applicable quoting standards, which the Exchange believes encourages appointed LMMs to provide liquidity in the applicable class and trading session (*i.e.*, Regular Trading Hours ("RTH") or GTH). The Exchange may consider other exceptions to the programs' quoting standards based on demonstrated legal

³ The Exchange initially filed the proposed fee changes on August 1, 2025 (SR-CBOE-2025-052). On August 7, 2025, the Exchange withdrew that filing and submitted SR-CBOE-2025-057.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

⁴⁴ 17 CFR 200.30-3(a)(12).