

Friday, May 9, 2025, at 10 a.m. (Open)

1. Remarks of the Chairwoman of the Board of Governors.
2. Remarks of the Postmaster General and CEO.
3. Approval of the Meeting Minutes.
4. Committee Reports.
5. Quarterly Financial Report.
6. Quarterly Service Performance Report.
7. Approval of Tentative Agenda for August 7 Open Meeting.

*General Counsel Certification:* The General Counsel of the United States Postal Service has certified that the meeting may be closed under the Government in the Sunshine Act.

**CONTACT PERSON FOR MORE INFORMATION:** Lucy C. Trout, Acting Secretary of the Board of Governors, U.S. Postal Service, 475 L'Enfant Plaza SW, Washington, DC 20260-1000. Telephone: (202) 268-4800.

**Lucy C. Trout,**  
*Acting Secretary.*

[FR Doc. 2025-07307 Filed 4-23-25; 4:15 pm]

**BILLING CODE 7710-12-P**

## POSTAL SERVICE

### Sunshine Act Meetings

**TIME AND DATE:** Tuesday, April 22, 2025, at 5 p.m. EST.

**PLACE:** Washington, DC, at U.S. Postal Service Headquarters, 475 L'Enfant Plaza, SW.

**STATUS:** Closed.

**MATTERS CONSIDERED:** On April 22, 2025, the members of the Board of Governors of the United States Postal Service voted unanimously to hold and to close to public observation a special meeting in Washington, DC. The Board determined that no earlier public notice was practicable. The Board considered the below matters.

1. Administrative Matters.
2. Executive Session.
3. Personnel Matters.

*General Counsel Certification:* The General Counsel of the United States Postal Service has certified that the meeting may be closed under the Government in the Sunshine Act.

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**Lucy C. Trout,**  
*Acting Secretary.*

[FR Doc. 2025-07306 Filed 4-23-25; 4:15 pm]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-102895; File No. SR-IEX-2025-02]

### Self-Regulatory Organizations; Investors Exchange LLC; Order Instituting Proceedings To Determine Whether To Approve or Disapprove a Proposed Rule Change, as Modified by Amendment No. 1, To Adopt Rules To Govern the Trading of Options on the Exchange for a New Facility Called IEX Options

April 21, 2025.

#### I. Introduction

On January 10, 2025, the Investors Exchange LLC (“IEX” or “Exchange”) filed with the Securities and Exchange Commission (the “Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to adopt rules to govern the trading of options on IEX Options LLC (“IEX Options”), a new facility of the Exchange that would be established in a separate rule filing. The proposed rule change was published for comment in the **Federal Register** on January 21, 2025.<sup>3</sup> On March 6, 2025, pursuant to Section 19(b)(2)(A)(ii)(I) of the Act,<sup>4</sup> 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.<sup>5</sup> On March 12, 2025, the Exchange filed Amendment No. 1 to the proposed rule change.<sup>6</sup> The proposed rule change as modified by Amendment No. 1 was published for comment in the **Federal Register** on March 19, 2025.<sup>7</sup> The Commission has received comments on the proposed rule change.<sup>8</sup> Pursuant to Section 19(b)(2)(B) of the Act,<sup>9</sup> the Commission is hereby instituting

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> See Securities Exchange Act Release No. 102190 (Jan. 14, 2025), 90 FR 7205 (“Notice”).

<sup>4</sup> 15 U.S.C. 78s(b)(2)(A)(ii)(I).

<sup>5</sup> See Securities Exchange Act Release No. 102536, 90 FR 11866 (Mar. 12, 2025). The Commission designated April 21, 2025, as the date by which the Commission shall approve or disapprove, or institute proceedings to determine whether to disapprove, the proposed rule change.

<sup>6</sup> Amendment No. 1 is available on the Commission’s website at: <https://www.sec.gov/comments/sr-iex-2025-02/sriex202502-580115-1667463.pdf>.

<sup>7</sup> See Securities Exchange Act Release No. 102663 (Mar. 13, 2025), 90 FR 12890 (“Amendment No. 1”).

<sup>8</sup> Comments on the proposed rule change are available at <https://www.sec.gov/comments/sr-iex-2025-02/sriex202502.htm>.

<sup>9</sup> 15 U.S.C. 78s(b)(2)(B).

proceedings to determine whether to approve or disapprove the proposed rule change, as modified by Amendment No. 1.

#### II. Description of the Proposed Rule Change, as Modified by Amendment No. 1

The Exchange proposes to adopt rules in connection with its proposed launch of IEX Options, which would be “a fully automated trading system built on the core functionality of the Exchange’s approved equities platform, and [operated] in a manner similar to that of other options exchanges” for the listing and trading of options issued by the Options Clearing Corporation.<sup>10</sup> As discussed in the proposal, as modified by Amendment No. 1, the Exchange proposes to operate IEX Options as a pro-rata options market with an access delay.<sup>11</sup> Specifically, IEX proposes “to utilize a de minimis delay on incoming order and quote messages designed to enable IEX to update its view of the market prior to processing orders and quotes” to support an optional Options Risk Parameter (“ORP”) that would be “designed to protect [registered market makers on IEX] from excessive risk due to execution of stale quotes. . . .”<sup>12</sup>

With the notable exception of the novel options access delay and ORP, the proposed rules for IEX Options are similar to the rules of other options exchanges.<sup>13</sup> The Exchange’s rules applicable to the IEX equities market contained in Chapters 1 through 16 of its rulebook would apply to Options Members<sup>14</sup> unless a proposed rule in proposed Chapters 17 through 29,

<sup>10</sup> Amendment No. 1, *supra* note 7, at 12891.

<sup>11</sup> See *id.* at 12891-92.

<sup>12</sup> *Id.* at 12891.

<sup>13</sup> Specifically, the proposed rules for IEX Options are substantially similar or substantively identical to rules of MEMX LLC (“MEMX Options”), Cboe Exchange, Inc. (“Cboe”), Miami International Securities Exchange, LLC (“MIAX”), NYSE American LLC (“NYSE Amex”) and NYSE Arca, Inc. (“NYSE Arca”) options exchanges, with material differences discussed in Amendment No. 1. When the Exchange describes in its proposal a proposed rule as being “substantively identical” to a rule of another exchange, the Exchange states that means that the substance of the proposed IEX Options rule is identical to the referenced rule of the other exchange, with differences only to reflect terminology and numbering. See *id.* at n. 14. When it describes a proposed rule as “substantially similar” to a rule of another exchange, the proposal describes the relevant differences. See *id.*

<sup>14</sup> IEX proposes to define an “Options Member” as “a firm, or organization that is registered with the Exchange pursuant to Chapter 18 of [the Exchange’s] Rules for purposes of participating in options trading on IEX Options as an Options Order Entry Firm, Options Market Maker, or Clearing Member.” Proposed Rule 17.100 (defining “Options Member”).

applicable to the IEX Options market, applies.<sup>15</sup>

#### Chapters 17 Through 21

The Exchange proposes to define relevant terms in proposed Rule 17.100, all of which are substantially similar to definitions included in MEMX Options Rule 16.1.<sup>16</sup> The Exchange proposes to set forth rules governing participation on IEX Options in Chapter 18, which are substantially similar to rules of MEMX Options and Cboe.<sup>17</sup> In addition, the Exchange proposes to adopt rules in Chapter 19 regarding business conduct that are substantively identical to MEMX Options rules and MIAAX rules,<sup>18</sup> rules in Chapter 20 regarding listing standards for options traded on IEX Options that are substantively identical to MEMX Options rules,<sup>19</sup> and rules in Chapter 21 regarding halts, unusual market conditions, extraordinary market volatility, obvious errors, audit trails, and rules regarding prohibited and permissible transfers of options positions off the Exchange that are substantially similar to MEMX Options rules.<sup>20</sup>

#### Chapter 22—Trading System

The Exchange proposes to adopt rules in Chapter 22 regarding IEX Options' trading system that are substantially similar or substantively identical to rules from MEMX Options, NYSE Arca, and Cboe, with material differences discussed in the proposal, as modified by Amendment No. 1.<sup>21</sup>

**Latency Mechanism.** Notably, the Exchange proposes a de minimis hardware-based latency mechanism of 350 microseconds that would be added to each incoming order and quote message as set forth in proposed Rule 22.100(n).<sup>22</sup> This latency mechanism is designed to allow the Exchange to “update its view of the market prior to processing orders and quotes” and to perform a quote instability calculation for the ORP using that current market data.<sup>23</sup>

**Order Priority.** IEX Options would have a pro-rata allocation model with

execution priority dependent on the size and capacity of an order.<sup>24</sup> Resting quotes and orders would be prioritized according to price, after which contracts would be allocated proportionally according to size (in a pro-rata fashion), rounded down to the nearest whole contract.<sup>25</sup> Residual options contracts would be filled one at a time based on price-size-time priority.<sup>26</sup>

The Exchange also proposes to support priority overlays discussed in proposed Rule 22.170(f),<sup>27</sup> including Priority Customer priority.<sup>28</sup> The Specialist Participation Entitlement overlay would provide a Specialist with priority over interest from other non-Priority Customers for a certain percentage of contracts allocated at the same price (entitling Specialists to a 60% allocation if there is one other non-Priority Customer at the National Best Bid or National Best Offer (“NBBO”) or 40% if there are two or more other non-Priority Customers at the NBBO<sup>29</sup>) when quoting at the NBBO.<sup>30</sup> The Directed Market Maker Participation Entitlement overlay<sup>31</sup> would provide a Directed Market Maker with priority over interest from other non-Priority Customers for a certain percentage of contracts allocated at the same price (entitling the Directed Market Maker to a 60% allocation if there is one other non-Priority Customer at the NBBO or 40% if there are two or more other non-Priority Customers at the NBBO) when quoting at the NBBO. The Small-Size Order Entitlement overlay<sup>32</sup> would provide a Specialist quoting at the NBBO with priority to execute against the entire size of an order or quote of five or fewer contracts that does not first execute against any Priority Customer

orders at that price, subject to certain conditions.<sup>33</sup>

#### Chapter 23—Market Participants

Chapter 23 would govern registration and obligations of market participants and includes rules that are substantially similar or substantively identical to rules from MIAAX, NYSE Amex, MEMX Options, and Cboe, with the notable exception of the proposed ORP.<sup>34</sup>

An Options Member would be able to apply to register with the Exchange as an Options market maker (“Market Maker” or “Options Market Maker”) for the purpose of making transactions as a dealer-specialist.<sup>35</sup> Options Market Makers would be eligible to participate on IEX Options as a Registered Market Maker or Specialist.<sup>36</sup> Among other things, a Registered Market Maker must provide continuous two-sided quotations throughout the trading day in its appointed classes for 60% of the time the Exchange is open for trading in the issue,<sup>37</sup> while a Specialist must provide continuous two-sided quotations throughout the trading day in its appointed classes for 90% of the time the Exchange is open for trading in each issue,<sup>38</sup> provided in both instances that the options classes have a time to expiration of less than nine months.<sup>39</sup> Specialists would be subject to obligations in addition to those applicable to Registered Market Makers.<sup>40</sup> Both Specialists and Registered Market Makers could also participate as Directed Market Makers. Directed Market Makers would be subject to enhanced quoting obligations compared to Registered Market Makers.<sup>41</sup>

**Options Risk Parameter.** The Exchange proposes to offer a novel options access delay and the ORP as an optional risk parameter that would

<sup>24</sup> See Amendment No. 1, *supra* note 7, at 12897. The proposed pro-rata model is similar to the MIAAX and NYSE Amex options exchanges. See *id.*

<sup>25</sup> See *id.* at 12900.

<sup>26</sup> See *id.*

<sup>27</sup> Proposed Rule 22.170(f) is substantially similar to Cboe Rule 5.32(a)(2), except that, unlike Cboe, in the event that a Small-Size order is directed to a Specialist, the IEX Options trading system would apply the Small-Size Order Entitlement to the order and not the Directed Order guarantee, meaning the Specialist will have priority to execute against the entire size of the order that does not execute against any Priority Customer orders at that price. See *id.* at 12900, n. 96.

<sup>28</sup> See Amendment No. 1, *supra* note 7, at 12900.

<sup>29</sup> These allocation entitlements are based on MIAAX Rule 514(h)(1), after accounting for the additional priorities afforded market makers on MIAAX, as set forth in MIAAX Rule 514(e).

<sup>30</sup> See proposed Rule 22.170(f)(2). This overlay may only be in effect if the Priority Customer overlay is also in effect. See proposed Rule 22.170(f).

<sup>31</sup> See proposed Rule 22.170(f)(2). This overlay may only be in effect if the Priority Customer overlay is also in effect. See proposed Rule 22.170(f).

<sup>32</sup> See proposed Rule 22.170(f)(3).

<sup>33</sup> See proposed Rule 22.170(f)(3)(A).

<sup>34</sup> See generally Amendment No. 1, *supra* note 7, at 12903–05.

<sup>35</sup> See proposed Rule 23.100(a) and proposed Rule 17.100 (defining “Market Makers (and Options Market Makers)” as referring collectively to Options Members registered as either a Registered Market Maker or as a Specialist).

<sup>36</sup> See Amendment No. 1, *supra* note 7, at 12892.

<sup>37</sup> See proposed Rule 23.150(e)(2)(A).

<sup>38</sup> See proposed Rule 23.150(e)(1)(A).

<sup>39</sup> See proposed Rule 23.150, Supplementary Material .01 and Amendment No. 1, *supra* note 7, at 12893.

<sup>40</sup> See Amendment No. 1, *supra* note 7, at 12892–92.

<sup>41</sup> See *id.* at 12892, n. 20. While a Registered Market Maker must provide continuous two-sided quotations through the trading day in its appointed issues for 60% of the time the Exchange is open for trading in each issue, a Directed Market Maker would be required to provide continuous two-sided quotations throughout the trading day in issues for which it receives Directed Orders for 90% of the time the Exchange is open for trading in each issue.

<sup>15</sup> See, e.g., Exchange Rules 2.160 and 2.220.

<sup>16</sup> See, e.g., Amendment No. 1, *supra* note 7, at 12894–96.

<sup>17</sup> See Amendment No. 1, *supra* note 7, at 12892.

<sup>18</sup> See *id.* at 12906.

<sup>19</sup> See *id.* at 12905–06.

<sup>20</sup> See *id.* at 12907.

<sup>21</sup> See *id.* starting at 12897.

<sup>22</sup> See *id.* at 12897. The Exchange will subject incoming order and quote messages to a de minimis delay using coiled optical fiber. See proposed Rule 11.510(a). See also Amendment No. 1, *supra* note 7, at 12897, n. 66.

<sup>23</sup> See Amendment No. 1, *supra* note 7, at 12897. See also *infra* notes 45–49 and accompanying text for a discussion of the quote instability calculation.

supplement the standard risk tools available to Options Market Makers.<sup>42</sup> The Exchange would offer the ORP on a class-by-class basis, which “would enable the Exchange to utilize the ORP for classes with a high potential for adverse selection, while excluding classes presenting lower risk of adverse selection (such as classes with relatively lower volumes).”<sup>43</sup> According to IEX, “the ORP is designed to enable Market Makers to provide tighter and deeper quotes on IEX by providing protection from execution against stale quotes by identifying when the best Protected Bid or best Protected Offer of the Away Markets (as defined in Proposed Rule 22.160(a)(8)) in a particular options series is sufficiently dislocated from the price of the underlying security to indicate that the best Protected Bid or best Protected Offer of the Away Markets in the options series is likely in transition.”<sup>44</sup>

The ORP would be informed by the Options Quote Indicator (“Indicator”) based on the Black-Scholes options pricing model, which would “assess the probability of an imminent change to the current best Protected Bid of the Away Markets to a lower price or of an imminent change to the current best Protected Offer of the Away Markets to a higher price for a particular listed options series (*i.e.*, an imminent adverse price change).”<sup>45</sup> To perform this assessment, the Indicator would use both real time relative quoting activity of protected quotations from eleven exchanges<sup>46</sup> and a proprietary quote instability calculation.<sup>47</sup>

According to the Exchange, when the quote instability calculation “identifies an imminent adverse price change to the best Protected Bid and/or best Protected Offer of the Away Markets in a particular listed options series, it will generate a quote instability determination” that “may only be generated at least 200 microseconds after a prior quote instability determination for a particular options series on the same side of the market (*i.e.*, affecting resting bids or offers).”<sup>48</sup> Further, “[i]f a quote instability determination is generated for an options series quoted by a Market Maker and the quote is above (below) the price level of the quote instability determination, the quote will be either cancelled or repriced to the price level

of the quote instability determination, as instructed by the Market Maker” in advance on its quote.<sup>49</sup>

The Exchange proposes to periodically determine three aspects of the Indicator’s formula—the frequency of calculation of implied volatility,<sup>50</sup> the quote instability threshold,<sup>51</sup> and the delta bound band that would determine which series are eligible for the ORP.<sup>52</sup> When determining the first two of these factors, the Exchange states that it would consider “the distribution of quote instability determinations, the precision of quote instability determinations, system capacity and performance, and client feedback.”<sup>53</sup> The Exchange also would consider “attributes like fill rates (resting and taking)<sup>54</sup> and markout data,<sup>55</sup> as well as other factors it determines are relevant based on operational experience in order to optimize how both variables are set” once the IEX Options trading system begins operating.<sup>56</sup> Any changes to the quote instability threshold and the implied volatility calculation frequency would be communicated by Trading Alert with at least 30 days’ notice.<sup>57</sup> In addition, the Exchange proposes to periodically determine within a range of 0 to 1, and announce

<sup>49</sup> *Id.*

<sup>50</sup> See proposed IEX Rule 23.150(h)(1), Supplementary Material .05.

<sup>51</sup> See proposed IEX Rule 23.150(h)(1), Supplementary Material .04(2)(e). The quote instability threshold would be within a range of 0–1. For example, a quote instability threshold of 1 would indicate that the expected price change in the option resulting from price movement in the underlying would be 100% of the current price of the option. See Amendment No. 1, *supra* note 7, at 12904.

<sup>52</sup> See proposed IEX Rule 23.150(h), Supplementary Material .04(1)(q). The delta bound band would be within a range of 0–1. See Amendment No. 1, *supra* note 7, at 12905.

<sup>53</sup> Amendment No. 1, *supra* note 7, at 12904.

<sup>54</sup> The Exchange states that “[f]ill rate data measures the degree to which incoming orders are able to execute against a resting order on a venue and are a measure of the percent of shares of an order that are filled (or executed) by such venue, adjusting for factors such as the size of the order compared to the size of a venue’s displayed quote.” *Id.* at n. 146.

<sup>55</sup> The Exchange states that “[m]arkouts measure the direction and degree to which the market moved after an execution, and are often measured as the difference between the execution price and the midpoint of the NBBO at various time intervals after a trade. Markouts are typically used as a way to measure the ‘quality’ of a trade. In particular, short-term markouts of several milliseconds after the time of execution, are often used to assess whether an order was subject to ‘adverse selection’ that can occur when a liquidity providing order is executed at a price that was about to become stale as a result of certain speed-based trading strategies.” *Id.* at n. 147.

<sup>56</sup> *Id.* at 12904.

<sup>57</sup> See *id.*

by Trading Alert, the delta bound band.<sup>58</sup>

### Chapters 24 Through 29

The Exchange proposes to adopt several chapters of rules that are substantively identical to MEMX Options rules, including Chapter 24 regarding exercises and deliveries,<sup>59</sup> Chapter 25 regarding records, reports, and audits,<sup>60</sup> Chapter 26 regarding discipline and summary suspension,<sup>61</sup> Chapter 27 regarding doing business with the public,<sup>62</sup> Chapter 28 regarding options order protection and locked and crossed markets<sup>63</sup> and Chapter 29 regarding margin requirements.<sup>64</sup>

### III. Proceedings To Determine Whether To Approve or Disapprove the Proposed Rule Change

The Commission hereby institutes proceedings pursuant to Section 19(b)(2)(B) of the Act<sup>65</sup> to determine whether the Exchange’s proposed rule change, as modified by Amendment No. 1, should be approved or disapproved. Institution of proceedings does not indicate that the Commission has reached any conclusions with respect to any of the issues involved. Rather, the Commission seeks and encourages interested persons to provide additional comment on the proposed rule change to inform the Commission’s analysis of whether to approve or disapprove the proposed rule change.

Pursuant to Section 19(b)(2)(B) of the Act,<sup>66</sup> the Commission is providing notice of the grounds for possible disapproval under consideration:

- Whether the Exchange has demonstrated how its proposal is consistent with Section 6(b)(5) of the Act,<sup>67</sup> which requires that the rules of a national securities exchange be designed, among other things, to promote just and equitable principles of trade, to remove impediments to and

<sup>58</sup> See proposed IEX Rule 23.150(h), Supplementary Material .04(1)(q). See also Amendment No. 1, *supra* note 7, at 12905, n. 150.

<sup>59</sup> See Amendment No. 1, *supra* note 7, at 12906.

<sup>60</sup> See *id.*

<sup>61</sup> See *id.*

<sup>62</sup> See *id.*

<sup>63</sup> See *id.*

<sup>64</sup> See *id.*

<sup>65</sup> 15 U.S.C. 78s(b)(2)(B).

<sup>66</sup> 15 U.S.C. 78s(b)(2)(B). Section 19(b)(2)(B) of the Act also provides that proceedings to determine whether to disapprove a proposed rule change must be concluded within 180 days of the date of publication of notice of the filing of the proposed rule change. See *id.* The time for conclusion of the proceedings may be extended for up to 60 days if the Commission finds good cause for such extension and publishes its reasons for so finding, or if the exchange consents to the longer period. See *id.*

<sup>67</sup> 15 U.S.C. 78f(b)(5).

<sup>42</sup> See Amendment No. 1, *supra* note 7, at 12903.

<sup>43</sup> *Id.*

<sup>44</sup> *Id.*

<sup>45</sup> *Id.* at 12903–04.

<sup>46</sup> IEX refers to these exchanges as “Signal Exchanges.” See IEX Rule 11.190(g).

<sup>47</sup> See Amendment No. 1, *supra* note 7, at 12904.

<sup>48</sup> *Id.*

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 not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers;

- Whether the Exchange has demonstrated how its proposal is consistent with Section 6(b)(8) of the Act,<sup>68</sup> which requires that the rules of a national securities exchange not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act; and

- Whether the Exchange has demonstrated how its proposal is consistent with Section 19(b) of the Act,<sup>69</sup> which requires, among other things that each self-regulatory organization file with the Commission copies of any proposed rule or any proposed change in, addition to, or deletion from the rules of such self-regulatory organization accompanied by a concise general statement of the basis and purpose of such proposed rule change.

Of particular note, and as described above, the Exchange proposes to offer the ORP as an optional risk parameter that would supplement the standard risk tools available to Options Market Makers. The Exchange describes the ORP as “a narrowly-tailored approach designed to appropriately balance the risks faced by market makers with the legitimate objectives of liquidity takers by providing additional optional risk protection to market makers and thereby encourage aggressive quoting.”<sup>70</sup> The expected frequency with which the ORP would cancel or reprice an NBBO quote on IEX is unclear and difficult to assess, and the proposal does not yet provide any such estimate. Accordingly, the characterization of ORP as a “narrowly-tailored approach” merits further consideration as it is unclear how often the ORP would be expected to cancel or change quotes. Additional information about the ORP’s operation can help inform whether the ORP would contribute to fair and orderly markets and remove impediments to and perfect the mechanism of a free and open market and a national market system.

As discussed above, the Exchange also proposes to give itself discretion in its rules to change the values of three components of the Indicator formula through Trading Alerts: (1) the quote

instability threshold,<sup>71</sup> (2) the measuring period for calculating implied volatility,<sup>72</sup> and (3) the delta bound band.<sup>73</sup> Both the quote instability threshold and the delta bound band would be periodically determined by the Exchange and set at a value within a range of 0 to 1.<sup>74</sup> The measuring period for calculating implied volatility would be a half-hour, though the Exchange could to pick a different, shorter time-frame. The initial values selected by the Exchange for these components would not be codified in the Exchange’s proposed rule text, and changes made to these values would not be filed with the Commission as proposed rule changes. Instead, the changes would be communicated by a Trading Alert.<sup>75</sup> Nevertheless, the Exchange states that the proposed latency mechanism is “fully disclosed and codified in a written rule of the exchange that has become effective pursuant to Section 19 of the Act”<sup>76</sup> and that the proposed ORP “is based on a transparent formula specified in IEX’s rules and related Trading Alerts.”<sup>77</sup> How those components are periodically evaluated and communicated publicly merits further consideration.<sup>78</sup>

Under the Commission’s Rules of Practice, the “burden to demonstrate that a proposed rule change is consistent with the [Act] and the rules and regulations issued thereunder . . . is on the [SRO] that proposed the rule change.”<sup>79</sup> The description of a proposed rule change, its purpose and operation, its effect, and a legal analysis of its consistency with applicable requirements must all be sufficiently detailed and specific to support an

<sup>71</sup> See proposed IEX Rule 23.150(h)(1), Supplementary Material .04(2)(e).

<sup>72</sup> See proposed IEX Rule 23.150(h)(1), Supplementary Material .05. As discussed above, the Exchange has proposed to calculate implied volatility for all options series with the same underlying whenever it receives an update to the best Protected Bid or best Protected Offer of the Signal Exchanges for the underlying security. The Exchange would perform this calculation “[u]pon the first such update of each half-hour of system operation (or such shorter time-frame as communicated by Trading Alert with at least 30 days prior notice).” See proposed IEX Rule 23.150(h)(1) Supplementary Material .05.

<sup>73</sup> See proposed IEX Rule 23.150(h)(1), Supplementary Material .04(1)(q).

<sup>74</sup> See proposed IEX Rule 23.150(h)(1), Supplementary Material .04(1)(q), .04(2)(e).

<sup>75</sup> Unlike the changes to the quote instability threshold and the measuring period for calculating implied volatility, which both require at least 30 days of notice, the Exchange did not propose a fixed advance notice period for changes to the delta bound band.

<sup>76</sup> Amendment No. 1, *supra* note 7, at 12910.

<sup>77</sup> *Id.* at 12911.

<sup>78</sup> 15 U.S.C. 78s(b)(1).

<sup>79</sup> 17 CFR 201.700(b)(3).

affirmative Commission finding,<sup>80</sup> and any failure of an SRO to provide this information may result in the Commission not having a sufficient basis to make an affirmative finding that a proposed rule change is consistent with the Act and the applicable rules and regulations.<sup>81</sup>

The Commission is instituting proceedings to allow for additional consideration and comment on the issues raised herein, including as to whether the proposal is consistent with the Act.<sup>82</sup>

#### IV. Commission’s Solicitation of Comments

The Commission requests written views, data, and arguments with respect to the concerns identified above as well as any other relevant concerns. Such comments should be submitted by May 16, 2025. Rebuttal comments should be submitted by May 30, 2025. Although there do not appear to be any issues relevant to approval or disapproval that would be facilitated by an oral presentation of views, data, and arguments, the Commission will consider, pursuant to Rule 19b–4, any request for an opportunity to make an oral presentation.<sup>83</sup>

The Commission asks that commenters address the sufficiency and merit of the Exchange’s statements in support of the proposal, in addition to any other comments they may wish to submit about the proposed rule change.

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](mailto:rule-comments@sec.gov). Please include file number SR–IEX–2025–02 on the subject line.

##### *Paper Comments*

- Send paper comments in triplicate to Secretary, Securities and Exchange

<sup>80</sup> See *id.*

<sup>81</sup> See *id.*

<sup>82</sup> See 15 U.S.C. 78f(b)(5) and (8).

<sup>83</sup> 15 U.S.C. 78s(b)(2). Section 19(b)(2) of the Act grants the Commission flexibility to determine what type of proceeding—either oral or notice and opportunity for written comments—is appropriate for consideration of a particular proposal by an SRO. See Securities Acts Amendments of 1975, Report of the Senate Committee on Banking, Housing and Urban Affairs to Accompany S. 249, S. Rep. No. 75, 94th Cong., 1st Sess. 30 (1975).

<sup>68</sup> 15 U.S.C. 78f(b)(8).

<sup>69</sup> 15 U.S.C. 78s(b)(1).

<sup>70</sup> Amendment No. 1, *supra* note 7, at 12912.

Commission, 100 F Street NE, Washington, DC 20549-1090.

All submissions should refer to file number SR-IEX-2025-02. 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-IEX-2025-02 and should be submitted on or before May 16, 2025.

Rebuttal comments should be submitted by May 30, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>84</sup>

**Sherry R. Haywood,**  
*Assistant Secretary.*

[FR Doc. 2025-07105 Filed 4-24-25; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-102892; File No. SR-CboeBZX-2025-053]

### Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Notice of Filing of a Proposed Rule Change To List and Trade Shares of the Canary SUI ETF Under BZX Rule 14.11(e)(4), Commodity-Based Trust Shares

April 21, 2025.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on April 8, 2025, Cboe BZX Exchange, Inc. (the "Exchange" or "BZX") 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 BZX Exchange, Inc. ("BZX" or the "Exchange") is filing with the Securities and Exchange Commission ("Commission" or "SEC") a proposed rule change to list and trade shares of the Canary SUI ETF (the "Trust"),<sup>3</sup> under BZX Rule 14.11(e)(4), Commodity-Based Trust Shares.

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

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

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

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> The Trust was formed as a Delaware statutory trust on February 27, 2025, and is operated as a C corporation. The Trust has no fixed termination date.

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

##### 1. Purpose

The Exchange proposes to list and trade the Shares under BZX Rule 14.11(e)(4),<sup>4</sup> which governs the listing and trading of Commodity-Based Trust Shares on the Exchange.<sup>5</sup> Canary Capital Group LLC is the sponsor of the Trust (the "Sponsor"). The Shares will be registered with the Commission by means of the Trust's registration statement on Form S-1 (the "Registration Statement").<sup>6</sup> According to the Registration Statement, the Trust is neither an investment company registered under the Investment Company Act of 1940, as amended,<sup>7</sup> nor a commodity pool for purposes of the Commodity Exchange Act ("CEA"), and neither the Trust nor the Sponsor is subject to regulation as a commodity pool operator or a commodity trading adviser in connection with the Shares.

Since 2017, the Commission has approved or disapproved exchange filings to list and trade series of Trust Issued Receipts, including spot-based Commodity-Based Trust Shares, on the basis of whether the listing exchange has in place a comprehensive surveillance sharing agreement with a regulated market of significant size related to the underlying commodity to be held (the "Winklevoss Test").<sup>8</sup> The

<sup>4</sup> The Commission approved BZX Rule 14.11(e)(4) in Securities Exchange Act Release No. 65225 (August 30, 2011), 76 FR 55148 (September 6, 2011) (SR-BATS-2011-018).

<sup>5</sup> Any of the statements or representations regarding the index composition, the description of the portfolio or reference assets, limitations on portfolio holdings or reference assets, dissemination and availability of index, reference asset, and intraday indicative values, or the applicability of Exchange listing rules specified in this filing to list a series of Other Securities (collectively, "Continued Listing Representations") shall constitute continued listing requirements for the Shares listed on the Exchange.

<sup>6</sup> See the Registration Statement on Form S-1, dated March 17, 2025, submitted by the Sponsor on behalf of the Trust. The descriptions of the Trust, the Shares, and the Pricing Benchmark (as defined below) contained herein are based, in part, on information in the Registration Statement. The Registration Statement is not yet effective, and the Shares will not trade on the Exchange until such time that the Registration Statement is effective.

<sup>7</sup> 15 U.S.C. 80a-1.

<sup>8</sup> See Securities Exchange Act Release Nos. 78262 (July 8, 2016), 81 FR 78262 (July 14, 2016) (the "Winklevoss Proposal"). The Winklevoss Proposal was the first exchange rule filing proposing to list and trade shares of an ETP that would hold spot bitcoin (a "Spot Bitcoin ETP"). It was subsequently disapproved by the Commission. See Securities Exchange Act Release No. 83723 (July 26, 2018), 83 FR 37579 (August 1, 2018) (the "Winklevoss Order"); 99306 (January 10, 2024), 89 FR 3008 (January 17, 2024) (Self-Regulatory Organizations;

<sup>84</sup> 17 CFR 200.30-3(a)(57).