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

Cboe BZX Exchange, Inc. (the “Exchange” or “BZX Options”) proposes to amend Rule 19.8, Long-Term Options Contracts. The text of the proposed rule change is provided below.

(Additions are italicized; deletions are [bracketed])

Rule of Cboe BZX Exchange, Inc.

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Rule 19.8. Long-Term Options Contracts

[(a)] Notwithstanding conflicting language in Rule 19.6 (Series of Options Contracts Open for Trading), the Exchange may list long-term options contracts that expire from twelve (12) to thirty-nine (39) months from the time they are listed. There may be up to six (6) long-term expiration months per option class. The proposal will add liquidity to the SPY options market by allowing market participants to hedge risks relating to SPY positions over a longer period with a known and limited cost.

The Exchange proposes to implement the proposed rule change on the date of this filing.

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

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

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

1. Purpose

The Exchange proposes to amend Rule 19.8, Long-Term Option Contracts, to permit the listing and trading of up to ten (10) long-term expiration months for long-term options on the SPDR® S&P 500® exchange-traded fund (“SPY”) in response to customer demand. Rule 19.8 currently provides that the Exchange may list long-term option contracts that expire from twelve (12) to thirty-nine (39) months from the time they are listed (“long-term expiration months”). There may be up to six (6) long-term expiration months per option class. The proposal will add liquidity to the SPY options market by allowing market participants to hedge risks relating to SPY positions over a longer period with a known and limited cost.

The SPY options market today is characterized by its tremendous daily and annual liquidity. As a consequence, the Exchange believes that the listing of additional SPY long-term expiration months would be well received by investors. This proposal to expand the number of permitted SPY long-term expiration months would not apply to long-term expiration months on any other class of options.

The Exchange proposes to implement the proposed rule change on the date of this rule filing.