

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

Interested persons are invited to submit written data, views, and arguments concerning whether the proposed rule change, as modified by Amendment No. 1, is consistent with the Act.

Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-LTSE-2025-31 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-LTSE-2025-31. 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-LTSE-2025-31 and should be submitted on or before May 11, 2026.

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

The Commission finds good cause to approve the proposed rule change, as modified by Amendment No. 1, prior to the thirtieth day after the date of publication of notice of the filing of Amendment No. 1 in the **Federal Register**. Amendment No. 1 sets forth additional support and clarifying detail regarding the proposal. These changes (1) reflect changes made in LTSE-2026-09, which extended the time complimentary services may be provided from 4 years to 5 years; (2) provide additional description and support for certain aspects of the proposal; and (3) make other technical

and non-substantive changes for clarity and readability. Amendment No. 1 does not alter any substantive provisions of the remaining parts of the proposed rule change from what is set forth in the Notice, which was subject to public comment.

The Commission finds that Amendment No. 1 does not raise any novel regulatory issues that have not previously been subject to public comment and is reasonably designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediment to and perfect the mechanisms of a free and open market and a national market system, and, in general, to protect investors and the public interest, and not designed to permit unfair discrimination between customers, issuers, brokers, or dealers. Accordingly, the Commission finds good cause, pursuant to Section 19(b)(2) of the Act, to approve the proposed rule change, as modified by Amendment No. 1, on an accelerated basis.

VI. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,³⁷ that the proposed rule change (SR-LTSE-2025-31), as modified by Amendment No. 1, be and hereby is, approved on an accelerated basis.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.³⁸

Sherry R. Haywood,
Assistant Secretary.

[FR Doc. 2026-07592 Filed 4-17-26; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meetings

TIME AND DATE: 2:00 p.m. on Thursday, April 23, 2026.

PLACE: The meeting will be held via remote means and at the Commission's headquarters, 100 F Street NE, Washington, DC 20549.

STATUS: This meeting will be closed to the public.

MATTERS TO BE CONSIDERED: Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the closed meeting. Certain staff members who have an interest in the matters also may be present.

In the event that the time, date, or location of this meeting changes, an

³⁷ *Id.*

³⁸ 17 CFR 200.30-3(a)(12).

announcement of the change, along with the new time, date, and/or place of the meeting will be posted on the Commission's website at <https://www.sec.gov>.

The General Counsel of the Commission, or his designee, has certified that, in his opinion, one or more of the exemptions set forth in 5 U.S.C. 552b(c)(3), (5), (6), (7), (8), 9(B) and (10) and 17 CFR 200.402(a)(3), (a)(5), (a)(6), (a)(7), (a)(8), (a)(9)(ii) and (a)(10), permit consideration of the scheduled matters at the closed meeting.

The subject matter of the closed meeting will consist of the following topics:

Institution and settlement of injunctive actions;

Institution and settlement of administrative proceedings;

Resolution of litigation claims; and
Other matters relating to examinations and enforcement proceedings.

At times, changes in Commission priorities require alterations in the scheduling of meeting agenda items that may consist of adjudicatory, examination, litigation, or regulatory matters.

CONTACT PERSON FOR MORE INFORMATION: For further information, please contact Vanessa A. Countryman from the Office of the Secretary at (202) 551-5400.

(Authority: 5 U.S.C. 552b.)

Dated: April 16, 2026.

Vanessa A. Countryman,
Secretary.

[FR Doc. 2026-07650 Filed 4-16-26; 4:15 pm]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105239; File No. SR-CBOE-2026-034]

Self-Regulatory Organizations; Cboe Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend the Definition of "Exercise Settlement Amount" Applicable to Binary Options

April 15, 2026

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 April 9, 2026, 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 and II below, which Items have

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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 the definition of "exercise settlement amount" applicable to binary options. The text of the proposed rule change is provided in Exhibit 5.

The text of the proposed rule change is also available on the Commission's website (<https://www.sec.gov/rules/sro.shtml>), the Exchange's website (https://www.cboe.com/us/options/regulation/rule_filings/bzx/), and at the principal office of the Exchange.

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 related to binary options.³ Binary options are based on the same framework as traditional, standardized options traded on the Exchange, except the payout of a binary option is an amount contingent upon the occurrence of the option being in- or at-the-money rather than the degree to which the option is in-the-money. As a result, payout at expiration of a binary option is an all-or-nothing occurrence. Current Rule 4.16 permits the Exchange to list binary options on broad-based indexes.⁴ Rule 4.16(b) defines a binary option as a European-style option contract having an exercise settlement amount that is established at the creation of the option.

³ The Exchange does not currently list binary options but intends to begin listing binary options in upcoming months.

⁴ Pursuant to Rule 4.16(a), Rule 4.16 applies to binary options only, and all Rules apply to the trading of binary options, except as otherwise provided or the context otherwise requires.

The exercise settlement amount for a binary option is the amount of cash that a holder will receive upon exercise of the contract. The exercise settlement amount is a set amount equal to the exercise settlement value multiplied by the contract multiplier. The exercise settlement value will be an amount determined by the Exchange on a class-by-class basis and shall be equal to \$10 or \$1,000 or a value between those values, unless otherwise adjusted per Rule 4.6.⁵ The contract multiplier is the multiple applied to the exercise settlement value to arrive at the total exercise settlement amount per contract, which is established on a class-by-class basis and shall be at least one.⁶ Binary options are paid out if the settlement value⁷ of the underlying broad-based index equals, exceeds, or is less than the exercise price, depending on the type of option (*i.e.*, call or put). A call binary option is an option contract that returns an exercise settlement amount if the settlement value of the underlying broad-based index is at or above the exercise price⁸ at expiration (*i.e.*, in- or at-the-money), while a put binary option is an option contract that returns an exercise settlement amount if the settlement value of the underlying broad-based index is below the exercise price at expiration (*i.e.*, in-the-money).⁹ The Exchange designates binary options as to expiration date, exercise price, exercise settlement amount, contract

⁵ Pursuant to Rule 4.16(f), binary option contracts are subject to adjustment only in accordance with and to the extent specified in the By-Laws and Rules of The Options Clearing Corporation ("OCC").

⁶ See Rule 4.16(b) (definition of "contract multiplier").

⁷ The settlement value for a binary option is the value of the underlying broad-based index that is used to determine whether a binary option is in, at, or out of the money. For binary options on a broad-based index on which traditional options on the same broad-based index are A.M.-settled, the "settlement value" is the reported opening level of such index as derived from the prices of the underlying securities on such day and as reported by the Reporting Authority for the index. For binary options on a broad-based index on which traditional options on the same broad-based index are P.M.-settled, the "settlement value" is the reported closing level of such index as derived from the prices of the underlying securities on such day and as reported by the Reporting Authority for the index. See current Rule 4.16(b) (definition of "settlement value"). Binary options that are "at-the-money," "in-the-money," or "out-of-the-money" are a function of the settlement value of the underlying broad-based index in relation to the type of binary option (*i.e.*, put or call) and the exercise price. See current Rule 4.16(e).

⁸ With respect to a binary option, the exercise price is the value to which the settlement value of the underlying broad-based index is compared to determine whether the holder of a binary option is entitled to have the option be paid out. See Rule 4.16(b) (definition of "exercise price").

⁹ See Rule 4.16(b) (definitions of "call binary option" and "put binary option").

multiplier, and underlying broad-based index.¹⁰

As noted above, current Rule 4.16(b) permits the exercise settlement value for a binary option to be an amount determined by the Exchange on a class-by-class basis equal to between \$10 and \$1,000. Given the exercise settlement amount for a binary option equals the exercise settlement value multiplied by the contract multiplier (which must be at least 1), the current minimum permissible exercise settlement amount for a binary option is therefore \$10 (if the multiplier for a binary option was 1 and the Exchange determined the exercise settlement value to be \$10). The Exchange proposes to reduce the minimum exercise settlement value for a binary option to be \$1, making the minimum permissible exercise settlement amount for a binary option to be \$1 (if the multiplier for a binary option was 1 and the Exchange determined the exercise settlement value to be \$1). As the standard multiplier for traditional options is 100, the proposed rule change would permit the Exchange to list a binary option with the typical multiplier of 100 to have an exercise settlement amount of \$100 (*i.e.*, 100 multiplier and exercise settlement value of \$1).

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.¹¹ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹² 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)¹³ requirement that the rules of an exchange not be designed

¹⁰ See Rule 4.16(c)(2).

¹¹ 15 U.S.C. 78f(b).

¹² 15 U.S.C. 78f(b)(5).

¹³ *Id.*

to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, the Exchange believes the proposed rule change will promote just and equitable principles of trade, remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, protect investors and the public interest because it expands the range of permissible payout amounts for binary options, notably for binary options with the standard multiplier for traditional options is 100. Currently, if the Exchange listed a binary option with a 100 multiplier, the lowest permissible exercise settlement amount would be \$1,000 (*i.e.*, 100 multiplier times \$10 exercise settlement value). The proposed rule change would permit the Exchange to apply a standard 100 multiplier to a binary option so the exercise settlement amount could be as low as \$100. The Exchange believes it would benefit investors to slightly increase the range of permissible exercise settlement values (and thus exercise settlement amounts) for binary options with a 100 multiplier given investors' familiarity with that multiplier.¹⁴ The proposed rule change would merely reduce the permissible lowest possible exercise settlement amount for a binary option from \$10 to \$1, which is a minor change in a range that currently has no maximum, as the Rules apply no maximum multiplier. Additionally, as the purpose of the proposed rule change is to permit a \$100 exercise settlement amount for binary options with the standard 100 multiplier, the Exchange notes current Rules of the Exchange already permit an exercise settlement amount of \$100 (*e.g.*, a binary option could have a multiplier of 1 and an exercise settlement value of \$100, or a multiplier of 10 and an exercise settlement value of \$10.). The proposed rule change merely permits the Exchange to determine such an exercise settlement amount using a more common multiplier with which investors are generally more familiar. As is the case for any binary option, the exercise settlement amount will be known to investors in advance, and they can determine whether to trade a binary option with that exercise settlement amount.

¹⁴ Investors are familiar with options with a multiplier of 100 because that is the multiplier for all equity and index options listed on the Exchange (except for nanos). See Product Specifications, available at <https://www.cboe.com/tradable-products/product-list>.

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 any exercise settlement value amount determined by the Exchange for a binary option will apply to all Trading Permit Holders in the same manner (as the exercise settlement amount based on that exercise settlement value paid to any holder of that binary option upon exercise of the contract will be the same amount). The Exchange does not believe that the proposed rule change will impose any burden on intermarket competition because the rules of other exchanges currently permit an exercise settlement amount of \$100 for binary options with multipliers of 100,¹⁵ and the proposed rule change will permit the Exchange to list binary options with the same multiplier and exercise settlement amount. Further, other exchanges that permit the listing of binary options on indexes may amend their rules to permit the same exercise settlement value if they choose.¹⁶

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

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act¹⁷ and Rule 19b-

¹⁵ See NYSE American, LLC ("NYSE American") Section 17, Rule 900 (definitions of "Finish High" and "Finish Low", which provide that an options contract returns \$100 if it is in-the-money). While this rule applies to binary options on equities and the Exchange's Rules apply to binary options on indexes, binary equity options function in substantially the same manner as binary index options and result in a payout of a settlement amount if the option is in-the-money, and the Exchange believes it is appropriate to permit the Exchange to designate similar payout amounts for binary options with the same common multiplier of 100 despite the difference in the underlying.

¹⁶ The Exchange notes this payout amount is the same as the payout amount for products structured in substantively the same manner as binary options that are listed on other market platforms not registered as national securities exchanges.

¹⁷ 15 U.S.C. 78s(b)(3)(A).

4(f)(6)¹⁸ thereunder. 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) of the Act¹⁹ and Rule 19b-4(f)(6)²⁰ thereunder.

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 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-2026-034 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-2026-034. 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

¹⁸ 17 CFR 240.19b-4(f)(6).

¹⁹ 15 U.S.C. 78s(b)(3)(A).

²⁰ 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, along with a brief description and text of 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.

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-2026-034 and should be submitted on or before May 11, 2026.

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

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026-07588 Filed 4-17-26; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105241; File No. SR-Phlx-2026-19]

Self-Regulatory Organizations; Nasdaq PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Review of Professional Orders

April 15, 2026.

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 April 1, 2026, Nasdaq PHLX LLC (“Phlx” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “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

The Exchange proposes to amend the quarterly review of Professional³ orders.

The text of the proposed rule change is available on the Exchange’s website at <https://listingcenter.nasdaq.com/rulebook/phlx/rulefilings>, and at the principal office of the Exchange.

²¹ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ The term “Professional” means any person or entity that (i) is not a broker or dealer in securities, and (ii) places more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s). Member organizations must indicate whether orders are for Professionals. See Options 1, Section 1(b)(45). The manner in which a Professional order is calculated is specified in Options 1, Section 1(b)(45)(i).

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 the quarterly review of Professional orders. Today, orders for any Public Customer⁴ that average more than 390 orders per day during any month of a calendar quarter must be represented as Professional orders for the next calendar quarter.⁵ In order to properly represent orders entered on the Exchange, member organizations⁶ are required currently to review their Public Customers’ activity and, on at least a quarterly basis, designate orders as Public Customer orders or Professional orders.⁷ Specifically, member organizations are required to conduct a

⁴ The term “Public Customer” means a person or entity that is not a broker or dealer in securities and is not a Professional as defined within Options 1, Section 1(b)(45). See Options 1, Section 1(b)(46).

⁵ The requirement to review Public Customers’ activity on at least a quarterly basis to determine whether orders that are not for the account of a broker-dealer should be represented as Public Customer Orders or Professional Orders is not in the current rule text, however it was described in the adopting proposal. See Securities Exchange Act Release No. 77054 (February 4, 2016), 81 FR 7166 (February 10, 2016) (SR-Phlx-2016-10) (Notice of Filing of Proposed Rule Change Relating to Professional Customer Definition) (“SR-Phlx-2016-10”). The instant proposal seeks to codify the timing for review of Public Customers’ activity.

⁶ The term “member organization” means a corporation, partnership (general or limited), limited liability partnership, limited liability company, business trust or similar organization, transacting business as a broker or a dealer in securities and which has the status of a member organization by virtue of (i) admission to membership given to it by the Membership Department pursuant to the provisions of General 3, Sections 5 and 10 or the By-Laws or (ii) the transitional rules adopted by the Exchange pursuant to Section 6-4 of the By-Laws. References herein to officer or partner, when used in the context of a member organization, shall include any person holding a similar position in any organization other than a corporation or partnership that has the status of a member organization. See General 1, Section 1(a)(17).

⁷ See 81 FR 7166 at 7167.

quarterly review and make any appropriate changes to the way in which they are representing orders within five days after the end of each calendar quarter.⁸ While member organizations are required to designate accounts on a quarterly basis, if during a quarter the Exchange identifies a customer for which orders are being represented as Public Customer Orders but that has averaged more than 390 orders per day during a month, the Exchange must notify the member organization and the member organization is required to change the manner in which it is representing the customer’s orders within five days.⁹

Proposal

At this time, the Exchange proposes to shorten the quarterly review and designation to a monthly review. The Exchange proposes to state at Options 1, Section 1(b)(45)(ii) that orders for any customer that had an average of more than 390 orders per day during any calendar month must be represented as Professional orders for the next calendar month.

As noted, currently, each member organization is required to monitor Public Customer orders to determine if the Public Customer has averaged more than 390 orders per day during a month. Determining whether a Public Customer has executed more than 390 orders per day during a month requires computing a daily average. As such, member organizations should be performing the workflow necessary to designate orders on a daily basis. Therefore, the proposal does not amend the current workflow, rather, the proposal amends the timeframe to change the manner in which the customer’s order is being represented from five days after the end of each calendar quarter to five days after the end of each calendar month.

The Exchange does not believe that this amendment is a significant departure from the current rule, nor does it impose any burden on any member organization because each broker-dealer is required currently to perform the necessary calculation daily to arrive at the requisite average. Further, in addition to the calculation, broker-dealers are subject to know-your-customer and suitability requirements under FINRA Rules 2090 (Know Your Customer) and 2111 (Suitability) and would need to consider whether a customer meets the Professional designation for purposes of determining best execution and making appropriate recommendations. The Exchange notes

⁸ See *id.*

⁹ See *id.*