

SECURITIES AND EXCHANGE COMMISSION

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Self-Regulatory Organizations; Cboe Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Its Fees Schedule With Respect to Certain Standard Transaction Fees, Floor Broker Permit Fees, the SPX and VIX Floor Broker Trading Surcharges, the Floor Broker ADV Discount, Market-Maker Tier Appointment Fees, Floor Jacket Stipends, and SPXW Excessive Complex Instrument Creation Charges

April 16, 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 1, 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, 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 standard transaction fees, amend Floor Broker permit fees, amend the SPX and VIX Floor Broker trading surcharges, amend the Floor Broker ADV discount, amend Market-Maker tier appointment fees, adopt two floor jacket stipends, and adopt SPXW excessive complex instrument creation charges. 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 Fees Schedule, effective April 1, 2026.

Standard Transaction Fee Changes XSP, MRUT, and DJX

The Exchange proposes to apply certain fee codes currently applicable to transactions in Mini-SPX Index options (“XSP”) to transactions in each of Mini-Russell 2000 Index options (“MRUT”) and options on the Dow Jones Industrial Average (“DJX”). Specifically, the proposed rule change amends certain fees for XSP in the Rate Table for All Products Excluding Underlying Symbol List A, as follows:³

- Amends fee code XC, appended to all Customer (capacity “C”) orders in XSP that are for less than 10 contracts and provides a rebate of \$0.30 per contract, to apply to all Customer (capacity “C”) orders in XSP, MRUT, or DJX that are for less than 10 contracts.
- Amends fee code CC, appended to all Customer (capacity “C”) orders in XSP that are for greater than or equal to 10 contracts and assesses a fee of \$0.07 per contract, to apply to all Customer (capacity “C”) orders in XSP, MRUT, or DJX that are for greater than or equal to 10 contracts.
- Amends fee code XN, appended to all Clearing Trading Permit Holders (“TPHs”) (capacity “F”), Non-Clearing TPH Affiliates (capacity “L”), Broker-Dealer (capacity “B”), Joint Back-Office (capacity “J”), Non-TPH Market-Maker (capacity “N”), and Professional (capacity “U”) (collectively, “Non-Market Maker, Non-Customer”) orders in XSP that are executed manually (*i.e.*, open outcry) and assesses a fee of \$0.30 per contract, to apply to all Non-Market Maker, Non-Customer orders in XSP, MRUT, or DJX that are executed manually (*i.e.*, open outcry).
- Amends fee code XF, appended to all Non-Market Maker, Non-Customer orders in XSP contra to a customer or contra to a non-customer that add

liquidity and that are executed electronically and assesses a fee of \$0.30 per contract, to apply to all Non-Market Maker, Non-Customer orders in XSP, MRUT, or DJX contra to a customer or contra to a non-customer that add liquidity and that are executed electronically.

- Amends fee code XB, appended to all Non-Market Maker, Non-Customer orders in XSP contra to a non-customer that remove liquidity and assesses a fee of \$0.50 per contract, to apply to all Non-Market Maker, Non-Customer orders in XSP, MRUT, or DJX contra to a non-customer that remove liquidity.
 - Amends fee code MP, appended to all Market-Maker (capacity “M”) orders in XSP that are executed manually (*i.e.*, open outcry) and assesses a fee of \$0.15 per contract, to apply to all Market-Maker (capacity “M”) orders in XSP, MRUT, or DJX that are executed manually (*i.e.*, open outcry).
 - Amends fee code MC, appended to all Market-Maker (capacity “M”) orders in XSP that are contra customer and that are executed electronically and assesses a fee of \$0.15 per contract, to apply to all Market-Maker (capacity “M”) orders in XSP, MRUT, or DJX that are contra customer and that are executed electronically.
 - Amends fee code MX, appended to all Market-Maker (capacity “M”) orders in XSP contra to non-customers that add liquidity and that are executed electronically and assesses a fee of \$0.09 per contract, to apply to all Market-Maker (capacity “M”) orders in XSP, MRUT, or DJX contra to non-customers that add liquidity and that are executed electronically.
 - Amends fee code MY, appended to all Market-Maker (capacity “M”) in XSP contra to non-customers that remove liquidity and assesses a fee of \$0.50 per contract, to apply to all Market-Maker (capacity “M”) in XSP, MRUT, or DJX contra to non-customers that remove liquidity.
- As part of the proposed changes, the Exchange proposes to delete the following fee codes, which are currently appended to MRUT orders. Specifically, the Exchange proposes to delete:
- Fee code CQ, appended to Customer orders in MRUT and assesses a fee of \$0.02 per contract.
 - Fee code FM, appended to Clearing TPH (capacity “F”) and Non-Clearing TPH Affiliates (capacity “L”) orders in MRUT and assesses a fee of \$0.02 per contract.
 - Fee code MM, appended to Market-Maker (capacity “M”) orders in MRUT and assesses a fee of \$0.03 per contract.
 - Fee code BM, appended to Broker-Dealer (capacity “B”), Joint Back-Office

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

³ As part of the proposed changes, the Exchange proposes to amend Footnote 9 to reflect the changes to fee code XC and CC described herein.

(capacity “J”), Non-TPH Market-Maker (capacity “N”), and Professional (capacity “U”) orders in MRUT and assesses a fee of \$0.04 per contract.

As part of the proposed changes, the Exchange proposes to add DJX to Liquidity Provider Sliding Scale⁴ and Liquidity Provider Sliding Scale Adjustment Program (as described within Footnote 44).

SPESG and SPEQX

The Exchange proposes to adopt certain fees related to transactions in S&P 500 Scored & Screened Index options (“SPESG”) and S&P 500 Equal Weight Index options (SPEQX”). Specifically, the proposed rule change adopts certain fees for SPESG and SPEQX in the Rate Table for All Products Excluding Underlying Symbol List A, as follows:

- Adopts fee code G1, appended to Customer (capacity “C”) orders in SPESG and SPEQX options and assesses a fee of \$0.10 per contract.
- Adopts fee code G2, appended to all Market-Maker (capacity “M”) orders in SPESG and SPEQX that are executed manually (*i.e.*, open outcry) and assesses a fee of \$0.15 per contract.
- Adopts fee code G3, appended to Market-Maker (capacity “M”) orders in SPESG and SPEQX contra to non-customers that remove liquidity and that are executed electronically and assesses a fee of \$0.50 per contract.
- Adopts fee code G4, appended to all Market-Maker (capacity “M”) orders in SPESG and SPEQX contra to non-customers that add liquidity and that are executed electronically and provides a rebate of \$0.25 per contract.
- Adopts fee code G5, appended to all Market-Maker (capacity “M”) orders in SPESG and SPEQX contra to customers and that are executed electronically and assesses a fee of \$0.15 per contract.
- Adopts fee code G6, appended to Non-Market Maker, Non-Customer orders in SPESG and SPEQX that are executed manually (*i.e.*, in open outcry) and assesses a fee of \$0.20 per contract.
- Adopts fee code G7, appended to Non-Market Maker, Non-Customer orders in SPESG and SPEQX contra to a customer or contra to a non-customer that add liquidity, and that are executed electronically, and assesses a fee of \$0.20 per contract.

As part of the proposed changes, the Exchange proposes to delete the below fee codes, which are currently appended to certain SPEQX orders. Specifically, the Exchange proposes to delete:

- Fee code E1, appended to Customer orders in SPEQX and assesses a fee of \$0.05 per contract.

- Fee code E2, appended to Non-Customer orders in SPEQX and assesses a fee of \$0.25.

As part of the proposed changes, the Exchange also proposes to amend the below fee codes, which are currently appended to certain SPESG orders. Specifically, the Exchange proposes to amend:

- Fee code CS, appended to Customer (capacity “C”) premium orders for less than \$1.00 in SPW (including SPXW) and SPESG and assesses a fee of \$0.36 per contract, to apply to Customer (capacity “C”) premium orders for less than \$1.00 in SPW (including SPXW).

- Fee code CT, appended to Customer (capacity “C”) premium orders for greater than or equal to \$1.00 in SPX (including SPXW) and SPESG and assesses a fee of \$0.40 per contract, to apply to Customer (capacity “C”) premium orders for greater than or equal to \$1.00 in SPX (including SPXW).

- Fee code BT, appended to Broker-Dealer (capacity “B”), Joint Back-Office (capacity “J”), Non-TPH Market-Maker (capacity “N”), and Professional (capacity “U”) orders in SPX (including SPXW) and SPESG and assesses a fee of \$0.42 per contract, to apply only to Broker-Dealer (capacity “B”), Joint Back-Office (capacity “J”), Non-TPH Market-Maker (capacity “N”), and Professional (capacity “U”) orders in SPX (including SPXW).

- Fee code MS, appended to Market-Maker (capacity “M”) orders in SPX (including SPXW) and SPESG and assesses a fee of \$0.28 per contract, to apply only to Market-Maker (capacity “M”) orders in SPX (including SPXW).

- Fee code FH, assesses a fee of \$0.26 per contract and is appended to Broker-Dealer (capacity “B”), Joint Back-Office (capacity “J”), Non-TPH Market-Maker (capacity “N”), and Professional (capacity “U”) orders in Underlying Symbol List A, under which SPESG is currently listed and to which the Exchange proposes to remove SPESG.⁵

The Exchange also proposes to exclude SPESG from certain surcharges applicable to certain Non-Market-Maker orders. Specifically, the Exchange proposes to exclude SPESG from the Execution Surcharge (\$0.21 per contract), AIM Response Surcharge (\$0.05 per contract), AIM Contra Surcharge (\$0.10 per contract), and the AIM Agency/Primary Surcharge (\$0.10

per contract).⁶ The Exchange proposes to list SPESG to the FLEX Surcharge Fee under “Rate Table—All Products Excluding Underlying Symbol List A”, which assesses a charge of \$0.10 per contract (capped at \$250 per trade).⁷

As a result of the removal of SPESG from Underlying Symbol List A, the Exchange also proposes to update certain fee program descriptions set forth within the Fees Schedule to specifically reference SPESG. Specifically, the Exchange proposes to amend the SPX/SPXW Liquidity Provider Sliding Scale,⁸ Liquidity Provider Sliding Scale Adjustment Table, Volume Incentive Program, Break-up Credits, Marketing Fees, Floor Broker Sliding Scale Rebate Program, Floor Broker Slide Scale Supplemental Rebate Program, Order Router Subsidy Program (“ORS”), Complex Order Router Subsidy Program (“CORS”), Floor Brokerage Fees, and the Floor Brokerage Fees Discount Scale to list SPESG as program exclusions.⁹ These are not substantive changes, as SPESG was previously excluded via its inclusion in Underlying Symbol List A.

CBTX

The Exchange proposes to amend and adopt certain fees related to transactions in Cboe Bitcoin U.S. ETF Index options (“CBTX”). Specifically, the proposed rule change amends and adopts certain fees for CBTX in the Rate Table for All Products Excluding Underlying Symbol List A, as follows:

- Amends fee code B2, currently appended to all Market-Maker (capacity “M”), Clearing TPHs (capacity “F”), Non-Clearing TPH Affiliates (capacity “L”), Broker-Dealer (capacity “B”), Joint Back-Office (capacity “J”), Non-TPH Market-Maker (capacity “N”), and

⁶ The Exchange also proposes to amend Footnote 12 appended to the Execution Surcharge, AIM Response Surcharge, AIM Contra Surcharge, and the AIM Agency/Primary Surcharge, to remove reference to SPESG, and to amend Footnote 21 appended to the Execution Surcharge to remove reference to SPESG.

⁷ Currently, SPESG falls under the FLEX Surcharge Fee under Rate Table—Underlying Symbol List A, which assesses the same charge of \$0.10 per contract (capped at \$250 per trade); thus there is no substantive change to the fee assessed as a result of this change.

⁸ As part of the proposed change, the Exchange proposes to amend Footnote 33 to reflect the changes to the SPX/SPXW Liquidity Provider Sliding Scale.

⁹ As part of the proposed changes, the Exchange proposes to amend Footnotes 6, 10, 11, 22, 29, 30, 35, 36, and 44, to include SPESG. The Exchange notes that SPESG was previously included in such footnotes via inclusion in Underlying Symbol List A; as a result of the change to remove SPESG from Underlying Symbol List A, the Exchange now proposes to separately list SPESG within these footnotes.

⁴ The Exchange also proposes to amend Footnote 10 to reflect inclusion of DJX in the Liquidity Provider Sliding Scale program.

⁵ As part of the proposed change, the Exchange also proposes to amend Footnote 34 to remove SPESG from Underlying Symbol List A.

Professional (capacity “U”) (collectively, “Non-Customer”) orders in CBTX and assesses a fee of \$1.00 per contract, to apply to all Non-Customer orders in CBTX that are executed manually (*i.e.*, open outcry).

- Adopts fee code B3, appended to all Non-Customer orders in CBTX contra to non-customers that remove liquidity and that are executed electronically and assesses a fee of \$1.00 per contract.

- Adopts fee code B4, appended to all Market-Maker (capacity “M”) orders in CBTX contra to non-customers that add liquidity and that are executed electronically and provides a rebate of \$0.75 per contract.

- Adopts fee code B5, appended to all Non-Customer orders in CBTX contra to customers and all Non-Customer, Non-Market Maker orders in CBTX contra to non-customers that add liquidity, and that are executed electronically and assesses a fee of \$1.00 per contract.

MBTX

The Exchange proposes to amend and adopt certain fees related to transactions in Cboe Mini Bitcoin U.S. ETF Index options (“MBTX”). Specifically, the proposed rule change amends and adopts certain fees for MBTX in the Rate Table for All Products Excluding Underlying Symbol List A, as follows:

- Amends fee code M2, currently appended to all Non-Customer orders in CBTX and assesses a fee of \$0.50 per contract, to apply to all Non-Customer orders in MBTX that are executed manually (*i.e.*, open outcry).

- Adopts fee code M3, appended to all Non-Customer orders in MBTX contra to non-customers that remove liquidity and that are executed electronically and assesses a fee of \$1.00 per contract.

- Adopts fee code M4, appended to all Market-Maker (capacity “M”) orders in MBTX contra to non-customers that add liquidity and that are executed

electronically and provides a rebate of \$0.50 per contract.

- Adopts fee code M5, appended to all Non-Customer orders in MBTX contra to customers and all Non-Customer, Non-Market Maker orders in MBTX contra to non-customers that add liquidity, and that are executed electronically and assesses a fee of \$0.50 per contract.

LMM Program Updates

The Exchange propose to eliminate the MRUT, RTH SPESG, RTH MBTX/MBTXW, RTH CBTX/CBXTW, and RTH SPEQX LMM Incentive Programs (the “LMM Incentive Programs”), set forth in the Fees Schedule. By way of background, each LMM Incentive Program provides a rebate to TPHs with LMM appointments to the respective incentive program that meet certain quoting standards in the applicable series in a month. Meeting or exceeding the quoting standards in each of the LMM Incentive Program products to receive the applicable rebate is optional for an LMM appointed to a program. Rather, an LMM appointed to an incentive program is eligible to receive the corresponding rebate if it satisfies the applicable quoting standards.

The Exchange is not required to offer these LMM Incentive Programs and no longer desires to do so, as of April 1, 2026. As such, the Exchange proposes deleting each of the LMM Incentive Program details set forth in the Fees Schedule.

Floor Fee Changes

Floor Broker Permit Fee Change

By way of background, a Floor Broker Permit (“FB Permit”) entitles the holder to act as a Floor Broker on the floor of the exchange. The Exchange currently maintains a Floor Trading Permit Sliding Scale, which allows Floor Brokers to pay reduced rates for a higher

quantity of FB Permits. Particularly, Floor Brokers pay \$7,500 for the first FB Permit, \$5,700 per permit for the 2nd and 3rd FB Permits, \$4,500 per permit for the 4th and 5th FB permits and \$3,200 for each additional FB Permit thereafter. The Exchange now proposes to eliminate the current fee structure and introduce a flat per-permit FB Permit fee structure. Specifically, the Exchange proposes to assess a fee of \$750 per FB Permit.¹⁰ The Exchange believes the proposed change may incentivize new market participants to become Floor Brokers on the Exchange and help offset initial costs of operation as Floor Brokers. The Exchange also notes the proposed structure is consistent with the flat per-permit rates charged by another Exchange to Floor Broker participants.¹¹

Floor Broker Trading Surcharge

The Exchange proposes to amend its Floor Broker Trading Surcharge Program for SPX and VIX. Currently, the Exchange assesses a monthly fee of \$3,000 per month for any Floor Broker TPH that executes more than 20,000 SPX (including SPXW) contracts during the month (“FB SPX Surcharge”) and a monthly fee of \$3,000 per month for any Floor Broker TPH that executes more than 20,000 VIX contracts during the month (“FB VIX Surcharge”). First, the Exchange proposes to amend the Floor Broker Trading Surcharge Program to assess a monthly fee for any Floor Broker TPH that executes more than 1,000 SPX (including SPXW) or 1,000 VIX contracts during the month. Further, the Exchange proposes to amend its Floor Broker Trading Surcharge Program to establish a tiered structure, wherein Floor Broker TPHs will be assessed applicable FB SPX and VIX Surcharges based on their quantity of FB Permits. The proposed structure is as follows for SPX/SPXW:

Criteria	Floor trading permit quantity	Monthly fee
FB Trading Permit Holder executes ≥1,000 contracts in SPX/SPXW	1	\$7,500
	2 to 3	6,750
	4 to 5	4,000
	6 to 10	2,500
	>10	2,000

The proposed structure is as follows for VIX:

¹⁰ As part of the proposed changes, the Exchange proposes to remove language regarding reduced Floor Broker Permit fees for any new TPH or

existing TPH that has not held an active Floor Broker Permit in at least 12 months, as such discount will no longer be available.

¹¹ See NYSE American Options Fees Schedule, Section III (Monthly Trading Permit, Rights, Floor Access and Premium Product Fees).

Criteria	Floor trading permit quantity	Monthly fee
FB Trading Permit Holder executes ≥1,000 contracts in VIX	1	\$3,000
	2 to 5	2,500
	>5	2,000

For each of the FB SPX Surcharge and the FB VIX Surcharge, the volume executed by all Floor Brokers associated with a particular Floor Broker Trading Permit in a given month, will be aggregated for purposes of determining if the Floor Broker Trading Surcharge will be charged.

Floor Broker ADV Discount Change
 Next, the Exchange proposes to modify¹² its discount for Floor Broker Trading Permit fees. Currently, as set forth in the Floor Broker ADV Discount table, any Floor Broker that executes a certain average of Customer (capacity “C”) open-outcry contracts per day over

the course of a calendar month in all underlying symbols, will receive a rebate on that TPH’s Floor Broker Trading Permit Fees.¹³ Such rebate amount is a percentage of the TPH’s FB Permit total costs; the criteria and corresponding percentage rebates are noted below.

Floor broker ADV discount tier	ADV	Floor broker permit rebate (%)
1	0 to 99,999	0
2	100,000 to 174,999	15
3	>174,999	25

The Exchange proposes to modify the discount so TPHs will also receive the applicable discount on their Floor Broker Trading Surcharge fees (both SPX and VIX).

Market-Maker Tier Appointment Fee Changes

The Exchange proposes to amend its Market-Maker Tier Appointment Fees for VIX and RUT. Currently, these fees are assessed to any Market-Maker TPH that has the respective VIX or RUT appointment at any time during a calendar month and trades a specified number of contracts. The Exchange assesses separate Tier Appointment Fees for each type of Market-Maker Trading Permit (*i.e.*, Market-Maker Floor Permit and Market-Maker Electronic Access Permit (“EAP”). Specifically, as it relates to Market-Maker Floor Permits, the \$2,000 per month VIX Tier Appointment is assessed to any Market-Maker TPH that executes at least 1,000 contracts in VIX and the \$1,000 per month RUT Tier Appointment is assessed to any Market-Maker TPH that executes at least 1,000 contracts in RUT; both are applied per Market-Maker

Floor Permit. As it relates to Market-Maker EAP, the \$2,000 per month VIX Tier Appointment is assessed to any Market-Maker TPH that executes at least 1,000 contracts in VIX and the \$1,000 per month RUT Tier Appointment is assessed to any Market-Maker TPH that executes at least 1,000 contracts in RUT; both are applied per TPH.

The Exchange proposes to amend the Tier Appointment Fee amounts. Specifically, the Exchange proposes to increase the VIX Tier Appointment fee to \$2,500 (for both Market-Maker Floor Permits and Market-Maker EAP) and to increase the RUT Tier Appointment Fee to \$1,500 (for both Market-Maker Floor Permits and Market-Maker EAP).

Floor Jacket Stipends

The Exchange proposes to adopt two stipends to assist with the cost of floor jackets. Specifically, the Exchange proposes to adopt a \$275 stipend for new trading floor jackets, to be issued every three years, and a \$100 stipend for the cleaning of trading jackets, to be issued annually. The Exchange will provide the initial stipends to all active floor badge holders as of April 1, 2026,

with subsequent stipends issued according to the established issuance schedule, based on applicable frequency. Floor participants who receive their badge after a scheduled issuance date will receive both stipends upon badge activation and will then follow the established issuance schedule for subsequent stipends.

SPXW Excessive Complex Instrument Creation Charges

Next, the Exchange proposes to amend its Fees Schedule to adopt SPXW Excessive Complex Instrument Creation Charges (the “Excessive CIC Fee”).

The proposed Excessive CIC Fee is calculated as follows: (i) a TPH’s (and its Affiliate’s, if applicable) daily number of complex instrument¹⁴ creations¹⁵ are added together to determine the Daily Charge based on the below Table 1 and (ii) the Daily Charge is then multiplied by the Daily Multiplier, based on the ratio of the TPH’s SPXW Complex Instruments Traded to SPXW Complex Instruments Created in SPXW, shown in the below Table 2.

TABLE 1

Tier	SPXW complex instrument creations	Daily charge
Tier 1	<20,000	\$0

¹² As part of the proposed change, the Exchange proposes to remove outdated language referring to discounts applicable in June 2020.

¹³ The Floor Broker ADV Discount will be available for all Floor Broker Trading Permits held by affiliated TPHs and TPH organizations.

¹⁴ For purposes of the SPXW Excessive Complex Instrument Creation Charges, a “complex

instrument” shall have the same meaning as “complex strategy” as defined in Cboe Options Rule 5.33. See proposed Footnote 54, which the Exchange proposes to append to the Excessive CIC Fee table.

¹⁵ Complex instruments created through the daily reloading of Good-til-Cancel (“GTC”) orders are included in a TPH’s complex instrument creation

total for that trading day. See proposed Footnote 54. For example, if a TPH’s GTC reload produces 13,000 complex instrument creations and the TPH creates an additional 19,000 complex instruments during the same session, the TPH’s total for that day would be 32,000 complex instrument creations.

TABLE 1—Continued

Tier	SPXW complex instrument creations	Daily charge
Tier 2	≥20,000 ≤29,999	500
Tier 3	≥30,000 ≤34,999	2,000
Tier 4	≥35,000	4,000

TABLE 2

Tier	SPXW complex instruments traded/SPXW complex instruments created	Daily multiplier
Tier 1	≥0% <15%	2.00
Tier 2	≥15% <30%	1.50
Tier 3	≥30% <50%	1.00
Tier 4	≥50% <70%	0.50
Tier 5	≥70%	0.00

The proposed Excessive CIC Fee will apply during all Exchange trading sessions.¹⁶ A TPH's volume in its complex instrument creation activity as well as its complex executed volume will be combined with any of its Affiliates.¹⁷ The Excessive CIC Fee will be calculated on a daily basis and will be assessed to TPHs at the end of the month.

The Exchange notes that market participants with incrementally higher numbers of complex instrument creations have the potential residual effect of exhausting System resources, bandwidth, and capacity. Higher numbers of complex instrument creations may therefore, in turn, create latency and impact other market participants' ability to receive timely executions.

In fact, the Exchange has recently seen an unprecedented increase in complex instruments creations in SPXW, specifically. The potential for significant price improvement through Legging has created incentives for market participants, particularly Professional and Public Customers, to routinely rest complex orders across thousands of instrument combinations in the Complex Order Book ("COB") with minimal genuine trading intent. Rather, these participants seek to trade in an opportunistic manner with a Customer order that is received inside the best bid or offer ("BBO"), exploiting

the Legging process with speculative behavior. This behavior does not contribute meaningfully to price discovery or liquidity provision, but instead creates operational burdens, reduces system latency, and degrades market quality. As a result, the Exchange has noticed increased strain on its System, particularly, as it relates to activity in SPXW. With this in mind, the Exchange has proposed this fee specifically for activity in SPXW in order to encourage more efficient behavior among its TPHs as it relates to their complex instrument creation activity.

The proposed fee structure has multiple thresholds, and the proposed fees are incrementally greater at complex instrument creation amounts because the potential impact on Exchange Systems, bandwidth and capacity becomes greater with increased complex instrument creations. The proposal contemplates that a TPH would have to exceed 20,000 complex instrument creations before that market participant would be charged a fee under the proposed respective tiers. The Exchange believes that it is in the interests of all market participants who access the Exchange to not allow other market participants to exhaust System resources, but to encourage efficient usage of network and System capacity. The Exchange also believes this proposal (and in particular the proposed fee amounts associated with higher complex instrument creation amounts without adequate executed volume) will reduce the incentive for market participants to engage in excessive complex instrument creation activity that will encourage such activity to be submitted in good faith for legitimate purposes.

The Exchange also represents that the proposed fees are not intended to raise revenue; rather, as noted above, it is

intended to encourage efficient behavior so that market participants do not exhaust System resources. This is demonstrated by the Exchange (i) targeting the offending behavior and (ii) limiting this to only be for SPXW (where the Exchange is noticing inefficient use of the System).

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.¹⁸ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹⁹ 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)²⁰ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers. The Exchange also believes the proposed rule change is consistent with Section 6(b)(4) of the Act,²¹ which requires that Exchange rules provide for the equitable allocation of reasonable

¹⁶ The Exchange proposes to append reference to Footnotes 37 and 42 to the Excessive CIC Fee table, to denote that, in addition to Regular Trading Hours, the fee applies during Global Trading Hours ("GTH") and Curb, respectively.

¹⁷ See proposed Footnote 54, which provides in relevant part, that the Exchange will aggregate the complex instrument creations and executed SPXW complex volume of affiliated TPHs for purposes of the determining SPXW Excessive Complex Instrument Creation Charges if there is at least 75% common ownership between the firms as reflected on each firm's Form BD, Schedule A.

¹⁸ 15 U.S.C. 78f(b).

¹⁹ 15 U.S.C. 78f(b)(5).

²⁰ *Id.*

²¹ 15 U.S.C. 78f(b)(4).

dues, fees, and other charges among its TPHs and other persons using its facilities.

Standard Transaction Fee Changes XSP, MRUT, and DJX

The Exchange believes that the proposal to apply certain XSP transaction fee codes to transactions in MRUT and DJX is reasonable, equitable and not unfairly discriminatory. Similar to XSP, MRUT and DJX are index options traded on the Exchange, based on a broad-market index, and they attract a similar mix of market participants and order types. Applying a unified fee structure across these products aligns the fee structure for similar products and simplifies the Fees Schedule. The proposal will result in slightly different fees for MRUT and DJX orders. For example, the current MRUT codes assess fees ranging from \$0.02 to \$0.04 per contract and current DJX codes (assessed under “All Other Index Products”) assess fees ranging from \$0.07 to \$1.05, whereas the corresponding XSP codes assess fees generally ranging from \$0.07 to \$0.50 per contract, and include a customer rebate of \$0.30 per contract for orders under 10 contracts. However, aligning MRUT and DJX with XSP fees creates a fee structure in which the fees assessed for MRUT and DJX transactions are consistent with the rates applicable to a comparable, similarly situated product, and better reflect the value of the Exchange’s services and the costs associated with facilitating such transactions.

The Exchange believes that the proposed fees for orders in MRUT and DJX are equitable and not unfairly discriminatory because the proposed fees will apply automatically and uniformly to all orders in MRUT and DJX, as applicable by capacity. All fee amounts applicable to Customers will be applied equally to all Customers, *i.e.*, all Customer orders will be assessed the same amount. All fee amounts applicable to Market-Makers will be applied equally to all Market-Makers, *i.e.*, all Market Maker orders will be assessed the same amount. Similarly, the Exchange notes that the fee amounts for each separate type of other market participant will be assessed equally to all such market participants, *i.e.*, all Non-Customer and Non-Market-Maker orders will be assessed the same amount.

The Exchange further believes it is reasonable to delete fee codes which currently apply to MRUT orders, as such codes are inapplicable as a result of the proposed fee change.

Additionally, the addition of DJX to the Liquidity Provider Sliding Scale and Liquidity Provider Sliding Scale Adjustment tables extends to DJX the same incentive structure already available to MRUT and XSP, further aligning the fee structure for the three index products and providing Market-Makers in DJX the opportunity to benefit from the same tiered pricing framework as those in MRUT and XSP.

SPESG and SPEQX

The Exchange believes that the proposal to amend fee codes for transactions in SPEQX and SPESG is reasonable, equitable and not unfairly discriminatory. The proposed fees, in general, have minor distinctions based on execution method, capacity of the contra-party, and orders that add liquidity and those that remove liquidity, similar to other fees with the Fees Schedule.²² Further, other exchanges offer varying fees based on whether an order adds or removes liquidity.²³

The Exchange believes it is reasonable to provide a rebate for Market-Maker orders in SPESG and SPEQX that are contra to a non-customer and add liquidity, and are executed electronically, as such changes are designed to incentivize an increase in non-customer liquidity-adding volume in SPESG and SPEQX on the Exchange. The Exchange believes that incentivizing more non-customer orders in SPESG and SPEQX will create more trading opportunities, which, in turn attracts Market-Makers. A resulting increase in Market-Maker activity facilitates tighter spreads, which may lead to additional increase of order flow in SPESG and SPEQX from other market participants, further contributing to a deeper, more liquid market to the benefit of all market participants by creating a more robust and well-balanced market ecosystem.

Additionally, the Exchange believes that it is equitable and not unfairly discriminatory to assess lower fees to Market-Makers (*i.e.*, for all manual Market-Maker orders in SPESG and SPEQX and for all Market-Maker orders in SPESG and SPEQX contra to customers and that are executed electronically) as compared to other market participants other than Customers because Market-Makers, unlike other market participants, take on a number of obligations, including quoting obligations, that other market

participants do not have. Further, these lower fees offered to Market-Makers are intended to incent Market-Makers to quote and trade more on the Exchange, thereby providing more trading opportunities for all market participants.

The Exchange believes assessing a higher fee for SPESG and SPEQX orders contra a non-customer that remove liquidity and are executed electronically is reasonable because it provides an incentive to maintain non-customer liquidity at the Exchange, thereby promoting price discovery and enhancing order execution opportunities for all TPHs.

The Exchange also believes the proposed changes to the fee structure for Non-Customer, Non-Market Maker orders in SPESG and SPEQX are reasonable. As noted above, it is not novel to charge different fees based on capacity of contra-party, and other exchanges offer varying fees based on whether an order adds or removes liquidity.²⁴ The Exchange believes assessing higher fees in general for Non-Customer, Non-Market Maker orders is reasonable, equitable, and non-discriminatory because, as noted above, the obligations and circumstances between market participants differ. The Exchange believes assessing a lower fee for Non-Customer, Non-Market Maker SPESG and SPEQX orders contra to a customer or contra to a non-customer that add liquidity and are executed electronically is reasonable because it provides an incentive to add liquidity at the Exchange, including in customer volume, thereby promoting price discovery and enhancing order execution opportunities for all TPHs.

The Exchange believes the proposed fee for Customer SPESG and SPEQX orders is reasonable, as it is slightly higher than the fee currently assessed for SPEQX orders yet lower than the proposed Non-Customer, Non-Market Maker SPESG and SPEQX orders. Further, the fee is within the range of similar market participant fees associated with other index products.²⁵

The Exchange believes that the proposed fees for Customer, Market-Maker, and Non-Customer, Non-Market Maker orders in SPESG and SPEQX are equitable and not unfairly discriminatory because the proposed fees will apply automatically and uniformly to all Customer, Market-Maker, and Non-Customer, Non-Market

²² See Choe Fees Schedule, “Rate Table—All Products Excluding Underlying Symbol List A.”

²³ See EDGX Options Fees Schedule and BZX Options Fees Schedule.

²⁴ See EDGX Options Fees Schedule and BZX Options Fees Schedule.

²⁵ See Choe Fees Schedule, “Rate Table—All Products Excluding Underlying Symbol List A.”

Maker orders in SPESG and SPEQX, as applicable, based on capacity.

The Exchange further believes it is reasonable to delete fee codes which currently apply to SPEQX orders, as such codes are inapplicable as a result of the proposed fee change.

Additionally, the Exchange believes it is reasonable to amend the fee codes that are currently appended to certain SPESG orders, to remove SPESG from such fee codes, as such fee codes will no longer be applicable to SPESG orders as a result of the proposed fee change.

The Exchange believes it is reasonable to exclude SPESG from the Execution Surcharge, AIM Response Surcharge, AIM Contra Surcharge, and AIM Agency/Primary Surcharge applicable to certain Non-Market-Maker orders. As part of the proposed changes. These changes are designed to further align the fee structure of SPESG with the fee structure of SPEQX. The Exchange also believes it is reasonable to exclude volume in SPESG from the SPX/SPXW Liquidity Provider Sliding Scale, Liquidity Provider Sliding Scale, Liquidity Provider Sliding Scale Adjustment Table, Volume Incentive Program, Break-up Credits, Marketing Fees, Floor Broker Sliding Scale Rebate Program, Floor Broker Slide Scale Supplemental Rebate Program, ORS/CORS, Floor Brokerage Fees, and the Floor Brokerage Fees Discount Scale. As noted above, these are not substantive changes, as SPESG was previously excluded via its inclusion in Underlying Symbol List A. Further, the Exchange believes it is reasonable to list SPESG in the FLEX Surcharge fee under Rate Table—Excluding Symbol List A, as SPESG is no longer listed within Underlying Symbol List A.

CBTX and MBTX

The Exchange believes that the proposal to amend fee codes for transactions in CBTX and MBTX is reasonable, equitable and not unfairly discriminatory. The proposed fees, in general, remain in line or slightly higher than current fees, with minor distinctions based on execution method, capacity of the contra-party, and orders that add liquidity and those that remove liquidity, similar to other fees with the Fees Schedule.²⁶ Further, other exchanges offer varying fees based on whether an order adds or removes liquidity.²⁷ Moreover, the Exchange believes that it is reasonable to assess lower fees for MBTX options orders (as

compared to CBTX options orders), because of the relation between MBTX options and CBTX options, wherein MBTX options overlie an index with 1/10th the value of the index that underlies CBTX options.

The Exchange believes it is reasonable to provide a rebate for Market-Maker orders in CBTX and MBTX that are contra to a non-customer and add liquidity, and are executed electronically, as such changes are designed to incentivize an increase in non-customer liquidity-adding volume in CBTX and MBTX on the Exchange. The Exchange believes that incentivizing more non-customer orders in CBTX and MBTX will create more trading opportunities, which, in turn attracts Market-Makers. A resulting increase in Market-Maker activity facilitates tighter spreads, which may lead to additional increase of order flow in CBTX and MBTX from other market participants, further contributing to a deeper, more liquid market to the benefit of all market participants by creating a more robust and well-balanced market ecosystem.

The Exchange believes assessing a higher fee for CBTX and MBTX orders contra a non-customer that remove liquidity and are executed electronically is reasonable because it provides an incentive to maintain non-customer liquidity at the Exchange, thereby promoting price discovery and enhancing order execution opportunities for all TPHs.

The Exchange believes that the proposed fees for Market-Maker, Non-Customer, and Non-Customer, Non-Market Maker orders in CBTX and MBTX are equitable and not unfairly discriminatory because the proposed fees will apply automatically and uniformly to all Market-Maker, Non-Customer, and Non-Customer, Non-Market Maker orders in CBTX and MBTX, as applicable, based on capacity.

LMM Program Updates

Finally, the Exchange believes the proposed change to eliminate the LMM Incentive Programs is reasonable, equitable and not unfairly discriminatory. As noted above, the Exchange is not required to offer these LMM Incentive Programs and no longer desires to do so. The proposed change is reasonable, as the Exchange wishes to reallocate resources to its other pricing programs, as well as to developing other pricing programs that may benefit market participants.

The Exchange believes the proposed change is equitable and is not unfairly discriminatory, as the proposed change applies to all Market-Makers equally.

While no Market-Maker will be or continue to be eligible for the eliminated LMM Incentive Programs, all Market-Makers remain eligible to participate in the Exchange's other pricing programs, including other LMM Incentive Programs offered by the Exchange.

Floor Fee Changes

Floor Broker Permit Fee Change

The Exchange believes that the proposed fee change related to FB Permits is reasonable, equitable and not unfairly discriminatory. As noted above, the proposed structure is consistent with the flat per-permit rates charged by another Exchange to Floor Broker participants.²⁸ The Exchange believes the proposed change is reasonable as it may incentivize new market participants to become Floor Brokers on the Exchange and help offset initial costs associated with becoming a Floor Broker. The Exchange believes the proposed discount is equitable and not unfairly discriminatory because the change will apply to all Floor Brokers who currently hold a FB Permit or any new Floor Brokers who will hold a FB Permit. The Exchange further believes the lower rate is reasonable, as Floor Brokers serve an important function in facilitating the execution of orders via open outcry, which as a price-improvement mechanism, the Exchange wishes to encourage and support. Further, the proposed change is designed to further encourage the execution of orders via open outcry, which should increase volume, which would benefit all market participants.

Floor Broker Trading Surcharge

The Exchange believes its proposed change to amend its Floor Broker Trading Surcharge Program for SPX and VIX is reasonable, equitable and not unfairly discriminatory. First, the Exchange believes it is reasonable to lower the volume threshold at which the FB SPX Surcharge and FB VIX Surcharge are triggered, from 20,000 contracts per month to 1,000 contracts per month for each surcharge, as the Exchange believes the revised threshold better aligns the surcharge with the Exchange's costs of supporting floor-based trading activity across a broader range of active Floor Broker TPHs.

The Exchange further believes it is reasonable to establish a tiered fee structure for the FB SPX Surcharge and FB VIX Surcharge based on the number of Floor Broker Trading Permits held by

²⁶ See Cboe Fees Schedule, "Rate Table—All Products Excluding Underlying Symbol List A."

²⁷ See EDGX Options Fees Schedule and BZX Options Fees Schedule.

²⁸ See NYSE American Options Fees Schedule, Section III (Monthly Trading Permit, Rights, Floor Access and Premium Product Fees).

a TPH. Under the proposed structure, Floor Broker TPHs holding a greater number of permits are assessed a lower per-permit monthly surcharge, while those holding fewer permits are assessed a higher surcharge. The Exchange believes this tiered approach is reasonable because Floor Broker TPHs that hold more permits have a larger presence and potential related costs in the floor-based trading operations on the Exchange. Further, the changes may incentivize expanded participation in the Exchange's floor trading environment, which promotes liquidity to the benefit of all participants.

The Exchange believes the proposed tiered structure is equitable and not unfairly discriminatory. All Floor Broker TPHs are subject to the same tiered schedule and are assessed fees based on the number of permits they hold and their trading volume in VIX or SPX. The Exchange also notes that the proposed rates for SPX and VIX reflect the trading characteristics of each product, with SPX and SPXW generally having greater volumes and therefore utilizing greater floor resources.

Floor Broker ADV Discount Change

The Exchange believes its proposal to modify its discount for Floor Broker Trading Permit fees is reasonable, equitable, and not unfairly discriminatory. The Exchange believes it is reasonable to extend the Floor Broker ADV Discount to apply to the FB SPX Surcharge and the FB VIX Surcharge as well as Floor Broker Trading Permit fees. The ADV Discount is designed to encourage the execution of Customer orders in all classes via open outcry, which may increase volume, which would benefit all market participants (including Floor Brokers who do not hit the ADV thresholds) trading via open outcry. TPHs that meet the applicable ADV thresholds and thus qualify for the 15% or 25% rebate are among the most active participants on the Exchange's trading floor. The Exchange believes it is equitable and consistent with the purpose of the discount program to extend its benefits to the FB SPX Surcharge and FB VIX Surcharge, as these surcharges represent part of the overall fees assessed to Floor Broker TPHs in connection with their floor-based trading activity.

The Exchange believes the proposed changes are equitable and not unfairly discriminatory. The ADV Discount tiers and applicable rebate percentages remain unchanged; the proposed modification simply broadens the scope of fees to which the existing discount applies. All Floor Broker TPHs are eligible to receive the Floor Broker

Trading Permit and FB SPX and VIX Trading Surcharges fees rebates under Program.

Market-Maker Tier Appointment Fee Changes

The Exchange proposes its proposal to amend its Market-Maker Tier Appointment Fees for VIX and RUT is reasonable, equitable, and not unfairly discriminatory. The Exchange believes the increase from \$2,000 to \$2,500 for VIX and from \$1,000 to \$1,500 for RUT reflect the increased value that the Market-Makers receive from holding an appointment in these products in light of the continued growth and increased volumes of VIX and RUT options trading on the Exchange. The Exchange believes the proposed fees better align with the Exchange's current fee structure and the overall value of services and trading platform (in open outcry or electronic trading) that the Exchange provides to Market-Maker TPHs holding these appointments. The Exchange believes the fee increases are modest and proportionate relative to the current rates (*i.e.*, a 25% increase for VIX and a 50% increase for RUT). The Exchange notes that it operates in a competitive environment in which Market-Maker TPHs may evaluate the costs and benefits of maintaining appointments in particular products.

Further, the Exchange believes the proposed changes are equitable and not unfairly discriminatory. The increased Market-Maker Tier Appointment Fees apply uniformly to all Market-Maker TPHs with a VIX or RUT appointment who meet the 1,000-contract execution threshold.

Floor Jacket Stipends

The Exchange believes the proposed change to adopt two stipends to assist with the cost of floor jackets is reasonable, equitable, and not unfairly discriminatory.

The Exchange believes such change is reasonable, as trading floor jackets are now required to be worn by floor participants at all times when on the Exchange's floor trading. The Exchange believes that providing financial assistance for the purchase and maintenance of these required jackets is a reasonable way of off-setting costs incurred by its floor trading community.

The Exchange believes the proposed stipends are equitable and not unfairly discriminatory. Both stipends will be provided to all active floor badge holders on a uniform basis. Further, floor participants who receive their badge after a scheduled issuance date will receive both stipends upon badge activation and will thereafter follow the

established issuance schedule for subsequent stipends, ensuring that all floor participants, whether existing or new, are treated similarly. Further, the Exchange believes the proposed stipend amounts are reasonable. The \$275 jacket stipend and \$100 cleaning stipend are modest in amount and designed to provide meaningful assistance with the actual costs floor participants incur in connection with these required items.

Excessive CIC Fee Change

The Exchange believes the proposed Excessive CIC Fee will 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. The Exchange notes that the proposed fee structure is designed to protect the Exchange's matching engines from being adversely impacted from excessive complex instrument creations. The Exchange believes it is reasonable, equitable and not unfairly discriminatory to assess higher fees when a TPH has higher complex instrument creation activity relative to the ratio of the TPH's SPXW Complex Instruments Traded to SPXW Complex Instruments Created in SPXW because the potential impact on Exchange Systems, bandwidth and capacity becomes greater with increased complex instrument creations. The Exchange believes the proposed fee amounts are reasonable as the Exchange believes them to be commensurate with the proposed thresholds. Particularly, the proposed fee amounts that correspond to higher complex instrument creation amounts are designed to incentivize TPHs to reduce excessive complex instrument creation activity that the Exchange believes can be detrimental to all market participants at the levels outlined and encourage such activity to be made in good faith and for legitimate purposes.

The Exchange believes the proposed fees are reasonable as TPHs that do not exceed the high SPXW complex instrument creation amount of 20,000 will not be charged any fee under the proposed tiers. As noted above, the Exchange believes that it is in the interests of all TPHs and market participants who access the Exchange to not allow TPHs to exhaust System resources, but to encourage efficient usage of network and System capacity. The Exchange therefore also believes that the proposed fees appropriately reflect the benefits to different firms of being able to engage in complex instrument creation and also believes the proposed fee is one method of facilitating the Commission's goal of

ensuring that critical market infrastructure has “levels of capacity, integrity, resiliency, availability, and security adequate to maintain their operational capability and promote the maintenance of fair and orderly markets.”²⁹

The Exchange believes adopting the proposed Excessive CIC Fee is reasonable as unfettered usage of System capacity and network resource consumption can have a detrimental effect on all market participants who access and use the Exchange. As discussed above, high complex instrument creations may adversely impact System resources, bandwidth, and capacity which may, in turn, create latency and impact other market participants’ ability to receive timely executions. The Exchange believes the proposed fee is therefore reasonable as they are designed to focus on activity that is truly disproportionate while fairly allocating fees to disincentivize the adverse behavior.

Further, the Exchange believes that the proposed Excessive CIC Fee is equitable and not unfairly discriminatory because it will be assessed uniformly to similarly situated users in that all TPHs that exceed the thresholds in connection with the Excessive CIC Fee will be assessed the proposed rates. As noted above, the Exchange believes the proposed thresholds are appropriately high rates and have been set out given market behaviors recently observed. The Exchange also believes it is equitable and not unfairly discriminatory to aggregate a TPH’s order flow with its Affiliate to prevent TPHs from shifting their order flow and trading activity to their Affiliate in order to circumvent the proposed fees.

The Exchange believes it is equitable and not unfairly discriminatory to assess incrementally higher fees to TPHs that have higher complex instrument creation activity relative to the ratio of the TPH’s SPXW Complex Instruments Traded to SPXW Complex Instruments Created in SPXW because the potential impact on Exchange Systems, bandwidth and capacity becomes greater higher complex instrument creation activity.

The Exchange lastly believes that its proposal is reasonable, equitably allocated and not unfairly discriminatory because it is not intended to raise revenue for the Exchange; rather, it is intended to

encourage efficient behavior so that TPHs do not exhaust System resources. Specifically, the Exchange is limiting this to the offending behavior and to the specific asset class effected.

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.

Standard Transaction Fee Changes

The Exchange does not believe that the proposed rule changes related to standard transaction fees for XSP, MRUT, DJX, SPESG, SPEQX, CBTX, or MBTX will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because the fee amounts for each separate type of market participants will be assessed equally to all such market participants. While different fees are assessed to different market participants in some circumstances, the obligations and circumstances between these market participants differ, as discussed above. For example, Market-Makers have quoting obligations that are not applicable to other market participants. Further, the proposed fees structures are intended to encourage more trading of XSP, MRUT, DJX, SPESG, SPEQX, CBTX, and MBTX, which bring liquidity to the Exchange and benefits all market participants.

The Exchange does not believe that the proposed rule changes will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because the proposed fees assessed apply to Exchange proprietary products, which are traded exclusively on the Exchange.

LMM Program Updates

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. The proposed change to eliminate the LMM Incentive Programs applies to all Market-Makers equally. While no Market-Maker will be or continue to be eligible for the eliminated LMM Incentive Programs, all Market-Makers remain eligible to participate in the Exchange’s other pricing programs, including other LMM Incentive Programs offered by the Exchange.

The Exchange also does not believe that the proposed changes will impose any burden on intermarket competition

that is not necessary or appropriate in furtherance of the Act. Further, in regard to the proposed changes to the LMM Incentive Programs, the Exchange does not believe 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, as the proposed changes apply only to programs applicable to transactions in products that are currently exclusively listed on the Exchange.

Floor Fee Changes

The Exchange does not believe that the proposed rule change related to Floor Broker Permit fees will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because, while it is limited to Floor Brokers, Floor Brokers serve an important function in facilitating the execution of orders via open outcry, which as a price-improvement mechanism, the Exchange wishes to encourage and support. Further, the proposed change is designed to encourage more Floor Brokers which may further encourage more execution of orders via open outcry, which should increase volume, which would benefit all market participants trading via open outcry.

Further, the Exchange does not believe the proposed changes related to the Floor Broker Trading Surcharge will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed amendments apply uniformly to all Floor Broker TPHs that meet the applicable criteria. Further, while the tiered structure provides lower per-permit surcharge rates to TPHs holding a greater number of permits, the Exchange believes this tiered approach is reasonable because Floor Broker TPHs that hold more permits have a larger presence and potential related costs in the floor-based trading operations on the Exchange. Further, the changes may incentivize expanded participation in the Exchange’s floor trading environment, which promotes liquidity to the benefit of all participants.

The Exchange does not believe the proposed changes related to the Floor Broker ADV Discount will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. All Floor Broker TPHs are eligible to receive the Floor Broker Trading Permit and FB SPX and VIX Trading Surcharges fees rebates under Program As noted above, the ADV Discount is

²⁹ See Securities Exchange Act Release No. 73639 (November 19, 2014), 79 FR 72251 (December 5, 2014) (File No. S7-01-13) (Regulation SCI Adopting Release).

designed to encourage the execution of Customer orders in all classes via open outcry, which may increase volume, which would benefit all market participants (including Floor Brokers who do not hit the ADV thresholds) trading via open outcry, and TPHs that meet the applicable ADV thresholds and thus qualify for the 15% or 25% rebate are active participants on the Exchange's trading floor. Thus, the Exchange believes that it is consistent with the purpose of the discount program to extend its benefits to the FB SPX Surcharge and FB VIX Surcharge, as these surcharges represent part of the overall fees assessed to Floor Broker TPHs in connection with their floor-based trading activity.

The Exchange does not believe the proposed changes related to the Market-Maker Tier Appointment Fees for VIX and RUT will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. The increased Market-Maker Tier Appointment Fees apply uniformly to all Market-Maker TPHs with a VIX or RUT appointment who meet the 1,000-contract execution threshold. The Exchange believes the fee increases are modest and proportionate relative to the current rates and notes that it operates in a competitive environment in which Market-Maker TPHs may evaluate the costs and benefits of maintaining appointments in particular products.

The Exchange does not believe the proposed changes to adopt two stipends to assist with the cost of floor jackets will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. Both stipends will be provided to all active floor badge holders on a uniform basis. Further, floor participants who receive their badge after a scheduled issuance date will receive both stipends upon badge activation and will thereafter follow the established issuance schedule for subsequent stipends, ensuring that all floor participants are treated similarly.

The Exchange does not believe that the proposed floor fee changes will impose an unnecessary or inappropriate burden on intermarket competition because they only apply to Cboe Options. To the extent that the changes prove attractive to market participants on other options exchanges, or its results prove attractive to market participants on other exchanges, such market participants may elect to become Floor Brokers or market participants at the Exchange.

Excessive CIC Fee Change

The Exchange does not believe that the proposed rule change to adopt the Excessive CIC Fee will impose any burden on intramarket competition that is not necessary in furtherance of the purposes of the Act because such fees will apply equally to all similarly situated TPHs. Particularly, the proposed Excessive CIC Fee applies uniformly to all TPH, in that any TPH who exceeds the thresholds will be subject to a fee under the proposed corresponding tiers. The Exchange believes that the proposed change neither favors nor penalizes one or more categories of market participants in a manner that would impose an undue burden on competition. Rather, the proposal seeks to reduce incentives for market participants to rest speculative SPXW complex orders in the COB. The Exchange expects such a reduction in non-bona fide order activity would decrease the total number of complex instruments the Exchange's matching engines must track and process, enhancing overall system performance. Such improved system efficiency benefits all market participants through more efficient order handling and reduced latency. Accordingly, the Exchange believes that the proposed Excessive CIC Fee does not favor certain categories of market participants in a manner that would impose a burden on competition.

Finally, the Exchange believes the proposed rule change to adopt the Excessive CIC Fee does not impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because the proposed rule change applies only to a product exclusively listed on the Exchange. As noted above, the Exchange is limiting this to the offending behavior and to the specific asset class effected. The fee is not intended to raise revenue for the Exchange; rather, it is intended to encourage efficient behavior so that TPHs do not exhaust System resources. The Exchange, along with other exchanges, have adopted various fee programs intended to disincentivize trading behaviors that may exhaust system resources, bandwidth, and capacity.³⁰

³⁰ See, e.g., Exchange Fees Schedule, "SPXW Excessive Mass Cancels and Purge Charges." See also Securities Exchange Act Release No. 60102 (June 11, 2009), 74 FR 29251 (June 19, 2009) (SR-NYSEArca-2009-50) (adopting fees applicable to Members based on the number of orders entered compared to the number of executions received in a calendar month). It appears that Nasdaq assesses a penalty charge to its members that exceed certain "weighted order-to-trade ratios". See *Price List*—

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

The Exchange neither solicited nor received comments on the proposed rule change.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act³¹ and paragraph (f) of Rule 19b-4³² 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 will institute proceedings to determine whether the proposed rule change 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-2026-031 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-2026-031. This file

Trading Connectivity, NASDAQ, available at <https://www.nasdaqtrader.com/trader.aspx?id=pricelisttrading2>; and Securities Exchange Act Release No. 91406 (March 25, 2021), 86 FR 16795 (March 31, 2023) (SR-EMERALD-2021-10) (adopting an "Excessive Quoting Fee" to ensure that Market Makers do not over utilize the exchange's System by sending messages to the MIAx Emerald, to the detriment of all other Members of the exchange); and Securities Exchange Act Release No. 97262 (March 29, 2023), 88 FR 22509 (April 13, 2023) (SR-CboeEDGX-2023-023) (adopting fees applicable to Market Makers based on the number of orders (including modification messages) entered compared to the number of orders traded in a calendar month).

³¹ 15 U.S.C. 78s(b)(3)(A).

³² 17 CFR 240.19b-4(f).

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-2026-031 and should be submitted on or before May 12, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.³³

Sherry R. Haywood,
Assistant Secretary.

[FR Doc. 2026-07687 Filed 4-20-26; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105255; File No. SR-NASDAQ-2026-029]

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Add Class ETF Shares to the Definition of Exchange-Traded Product

April 16, 2026.

Pursuant to Section 19(b)(1)¹ of the Securities Exchange Act of 1934 ("Act")² and Rule 19b-4 thereunder,³ notice is hereby given that, on April 7, 2026, The Nasdaq Stock Market LLC ("Nasdaq" or "Exchange") 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

The Exchange proposes to amend Equity 1, Section 1(a)(15) by adding Class ETF Shares (as defined below) to

the definition of Exchange-Traded Product ("ETP") (as defined below).

The text of the proposed rule change is available on the Exchange's website at <https://listingcenter.nasdaq.com/rulebook/nasdaq/rulefilings>, 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 the Statutory Basis for, the Proposed Rule Change

1. Purpose

The purpose of the proposed rule change is to amend the definition of ETP⁴ in Equity 1, Section 1(a)(15) by adding a reference to Rule 5703, which are the listing rules for Class ETF Shares.⁵ The proposed changes would allow issuers of Nasdaq-listed Class ETF Shares to use an optional halt ("Initial ETP Open") on the launch day of the Class ETF Shares and open trading using the Nasdaq Halt Cross.⁶ Today, the Initial ETP Open is available only

⁴ As currently defined in Equity 1, Section 1(a)(15), the term "ETP" means a security listed on Nasdaq pursuant to Nasdaq Rules 5704, 5705, 5710, 5711, 5713, 5715, 5720, 5735, 5745, 5750 or 5760.

⁵ The term "Class ETF Shares" means shares of the ETF Class issued by a Multi-Class Fund. The term "ETF Class" means the class of exchange-traded shares of a Multi-Class Fund that (i) operates as an exchange-traded fund pursuant to exemptive relief granted by order under the Investment Company Act of 1940 ("Multi-Class Fund Exemptive Relief"), and (ii) is in compliance with the requirements of Rules 5703(d)(ii) and 5703(d)(2)(A)(i)(2) on an initial and continued listing basis. The term "Multi-Class Fund" means a registered open-end management company that (i) pursuant to Multi-Class Fund Exemptive Relief, issues Class ETF Shares and one or more classes of shares that are not exchange traded, and (ii) is in compliance with the conditions and requirements of the Multi-Class Fund Exemptive Relief. See Rule 5703(c)(1)-(3).

⁶ The "Nasdaq Halt Cross" is the process for determining the price at which Eligible Interest shall be executed at the open of trading for a halted security and for executing that Eligible Interest. See Rule 4753(a)(4). "Eligible Interest" shall mean any quotation or any order that has been entered into the system and designated with a time-in-force that would allow the order to be in force at the time of the Halt Cross. See Equity 4, Rule 4753(a)(5).

for equity securities that are designated as ETPs, as defined under Equity 1, Section 1(a)(15).

The Exchange received approval last year to generically list and trade Class ETF Shares pursuant to Rule 5703.⁷ Class ETF Shares are shares of the ETF Class issued by a Multi-Class Fund, a registered open-end management company that, pursuant to Multi-Class Fund Exemptive Relief, issues Class ETF Shares and one or more classes of shares that are not exchange traded (*i.e.*, mutual fund shares). Further, the ETF Class is required to operate as an exchange-traded fund pursuant to the terms of the Multi-Class Fund Exemptive Relief and must comply with the conditions and requirements of Rule 6c-11 under the Investment Company Act of 1940, except as noted in the Multi-Class Fund Exemptive Relief.⁸

In addition, the Exchange received approval last year to adopt the Initial ETP Open for ETPs.⁹ The Initial ETP Open is designed to operate similarly to Nasdaq's initial public offering opening process for corporate securities, with specified differences to account for the unique characteristics of ETPs. Under this functionality, an ETP issuer launching an ETP on the first day of trading has the option to delay the opening of the security pursuant to the Initial ETP Open process until Market Hours,¹⁰ rather than opening at the start of Pre-Market Hours¹¹ at 4:00 a.m. ET. As discussed in the Initial ETP Approval Order, this optional functionality is designed to support efficient price discovery by enabling ETP issuers to enter a halt on launch day, for a specified time period, after which the ETP can be opened using the Nasdaq Halt Cross process under Rule 4753.¹²

The Exchange now proposes to add Rule 5703 in the ETP definition. By including Rule 5703, Class ETF Shares would be able to use the Initial ETP Open process on an optional basis, giving issuers of Class ETF Shares the same flexibility currently available to

⁷ See Securities Exchange Release No. 104252, 90 FR 54781 (November 28, 2025) (SR-NASDAQ-2025-037) ("Class ETF Share Approval Order").

⁸ See Rule 5703(d).

⁹ See Securities Exchange Act Release No. 103085, 90 FR 22424 (May 27, 2025) (SR-NASDAQ-2025-011) ("Initial ETP Open Approval Order").

¹⁰ The term "Market Hours" means the period of time beginning at 9:30 a.m. Eastern Time ("ET") and ending at 4:00 p.m. ET (or such earlier time as may be designated by Nasdaq on a day when Nasdaq closes early). See Equity 1, Section 1(a)(9).

¹¹ The term "Pre-Market Hours" means the period of time beginning at 4:00 a.m. ET and ending immediately prior to the commencement of Market Hours. See Equity 1, Section 1(a)(9).

¹² See Initial ETP Open Approval Order at 22425.

³³ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.