Required fields are shown with yellow backgrounds and asterisks.

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 19b-4

File No. * SR 2025 - * 022
Amendment No. (req. for Amendments *)

Filing by Cboe Exchange, Inc.

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial *	Amendment *	Withdrawal	Section 19(b)(2) *	Section 19(b)(3)(A) *	Section 19(b)(3)(B) *
☑	☐	☐	☑	☐	☐

Pilot	Extension of Time Period for Commission Action *	Date Expires *
☐	☐	

Rule

- ☐ 19b-4(f)(1)
- ☐ 19b-4(f)(2)
- ☐ 19b-4(f)(3)
- ☐ 19b-4(f)(4)
- ☐ 19b-4(f)(5)
- ☐ 19b-4(f)(6)

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010

- Section 806(e)(1) * ☐
- Section 806(e)(2) * ☐

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 3C(b)(2) * ☐

- Exhibit 2 Sent As Paper Document ☐
- Exhibit 3 Sent As Paper Document ☐

Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

Proposed rule change to list p.m.-settled SPEQF and SPEQX options.

Contact Information

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name * Laura Last Name * Dickman

Title * VP, Associate General Counsel

E-mail * ldickman@cboe.com

Telephone * (312) 786-6562 Fax

Signature

Pursuant to the requirements of the Securities Exchange of 1934, Cboe Exchange, Inc. has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

Date 03/20/2025

By Laura G. Dickman (Name *)

(Title *) VP, Associate General Counsel

NOTE: Clicking the signature block at right will initiate digitally signing the form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

Laura Dickman Date: 2025.03.20 08:47:11 -05'00'

Required fields are shown with yellow backgrounds and astericks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFS website.

Form 19b-4 Information * Add Remove View 25-022 Form 19b-4 (SPEQX and SPE	The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.
Exhibit 1 - Notice of Proposed Rule Change * Add Remove View 25-022 Exhibit 1 (SPEQX and SPEQF	The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)
Exhibit 1A - Notice of Proposed Rule Change, Security-Based Swap Submission, or Advanced Notice by Clearing Agencies * Add Remove View	The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)
Exhibit 2- Notices, Written Comments, Transcripts, Other Communications Add Remove View	Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G. ☐ Exhibit Sent As Paper Document
Exhibit 3 - Form, Report, or Questionnaire Add Remove View	Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change. ☐ Exhibit Sent As Paper Document
Exhibit 4 - Marked Copies Add Remove View	The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.
Exhibit 5 - Proposed Rule Text Add Remove View 25-022 Exhibit 5 (SPEQX and SPEQF	The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change
Partial Amendment Add Remove View	If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

Item 1. **Text of the Proposed Rule Change**

(a) Cboe Exchange, Inc. (the "Exchange" or "Cboe Options") proposes to amend certain rules to permit the Exchange to list and trade options with p.m.-settlement that overlie the S&P 500 Equal Weight Index (based on both the full value and one-tenth the value of the index) ("SPEQF options" and "SPEQX options," respectively). The text of the proposed rule change is provided in Exhibit 5.

(b) Not applicable.

(c) Not applicable.

Item 2. **Procedures of the Self-Regulatory Organization**

(a) The Exchange's President (or designee) pursuant to delegated authority approved the proposed rule change on March 18, 2025.

(b) Please refer questions and comments on the proposed rule change to Pat Sexton, Executive Vice President, General Counsel, and Corporate Secretary, (312) 786-7467, or Laura Dickman, (312) 786-7572, Cboe Exchange, Inc., 433 W. Van Buren, Chicago, Illinois 60607.

Item 3. **Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change**

(a) Purpose

The purpose of this proposed rule change is to amend certain rules to permit the Exchange to list and trade SPEQF and SPEQX options that are p.m.-settled. Specifically, the Exchange proposes to (1) amend Rule 4.13, Interpretation and Policy .13 to permit the listing of P.M.-settled[1] SPEQF and SPEQX options that expire on the standard third

1 An option with P.M.-settlement has its exercise settlement value derived from the closing prices on the expiration date.

Friday-of-the-month ("Expiration Friday")[2]; (2) amend Rule 4.13(c) to permit the Exchange to open for trading Quarterly Index Expirations ("QIXs") on SPEQF and SPEQX options[3]; and (3) permit the Exchange to list SPEQF and SPEQX options with Nonstandard Expirations pursuant to Rule 4.13(e).[4]

The S&P 500 Equal Weight Index is the equal-dollar weighted version of the S&P 500 Index (which is capitalization-weighted). The S&P 500 Index measures the performance of approximately 500 of the largest capitalization stocks in the United States. The constituents of the S&P 500 Equal Weight Index are the same as those of the S&P 500 Index; the difference between the two indexes is that each constituent is allocated a fixed weight with respect to the S&P 500 Equal Weight Index rather than a capitalization weight as is the case for the S&P 500 Index. Therefore, the index that underlies options on the S&P 500 Index ("SPX options"), as well as the Mini-S&P 500 Index ("XSP options"), for which the Exchange may currently list p.m.-settled options on Expiration Fridays, with Nonstandard Expirations, and as QIXs, is comprised of the same constituents as the underlying index for SPEQF and SPEQX options.

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2 Rule 4.13, Interpretation and Policy .13 currently permits the Exchange to list P.M.-settled SPX and XSP options, as well as options on the Russell 2000 Index ("RUT options") and the Mini-Russell 2000 Index ("MRUT" options), that expire on Expiration Fridays.

3 QIXs are index option contracts that expire on the last business day of a calendar quarter. Rule 4.13(c) currently permits the Exchange to list QIXs for SPX and XSP options, as well as RUT options, MRUT options, and options on the S&P 100 Index.

4 Rule 4.13(e) permits the Exchange to open for trading Weekly Expirations on any broad-based index eligible for standard options trading on any Monday, Tuesday, Wednesday, Thursday, or Friday (other than Expiration Fridays or days that coincide with an end-of-month ("EOM") expiration) or EOM expirations on any broad-based index eligible for standard options trading. While the Exchange believes it has the authority under this rule to list SPEQF and SPEQX options with Nonstandard Expirations, Commission staff informed the Exchange that it must submit a rule filing pursuant to Section 19(b)(2) under the Act before it may list Nonstandard Expirations for these classes.

The Exchange currently is permitted to list p.m.-settled series that expire on Expiration Friday, with Nonstandard Expirations, and QIXs for several different broad-based index options, including SPX and XSP options. This proposed rule change would permit the Exchange to list p.m.-settled SPEQF and SPEQX options that expire on Expiration Fridays, with Nonstandard Expirations, and QIXs. The availability of p.m.-settled SPEQF and SPEQX options with these various expirations will provide market participants with opportunities to trade those options in a manner more aligned with specific timing needs and more effectively tailor their investment and hedging strategies related to the S&P 500 Equal Weight Index and manage their portfolios. In particular, the proposed rule change will allow market participants to roll their positions in SPEQF and SPEQX options with regularity and more precision, to spread risk across more trading days, and incorporate daily, weekly, monthly, and quarterly changes in the markets, which may reduce the premium cost of hedging.

In connection with the proposed change to Rule 4.13, Interpretation .13, Exchange also proposes to amend Rule 5.1, which governs trading days and hours, in conjunction with the proposed addition of SPEQF and SPEQX p.m.-settled options that expire on Expiration Friday. Rule 5.1(b)(2)(C) currently provides that on their last trading day, Regular Trading Hours for expiring p.m.-settled SPX, XSP, RUT, MRUT options, as well as Index Options with Nonstandard Expirations and QIXs, may be effected on the Exchange between 9:30 a.m. and 4:00 p.m. Eastern Time[5] (as opposed to the 9:30 a.m. to 4:15 p.m. Regular Trading Hours for options with those expirations that are non-expiring). The proposed rule change amends Rule 5.1(b)(2)(C) to include

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5 See Rule 1.6, which states that unless otherwise specified, all times in the Rules are Eastern Time.

SPEQF and SPEQX P.M.-settled options that expire on Expiration Friday.[6] The primary listing markets for the component securities that the S&P 500 Equal Weight Index close trading in those securities at 4:00 p.m., just as the primary listing markets for the component securities that comprise the S&P 500 and Russell 2000 Indexes close trading at 4:00 p.m. (as noted above, the components of the S&P 500 Index are identical to the components of the S&P 500 Equal Weight Index). The primary listing exchanges for the component securities disseminate closing prices for the component securities, which are used to calculate the exercise settlement value of broad-based indexes on which the Exchange lists options. The Exchange believes that, under normal trading circumstances, the primary listing markets have sufficient bandwidth to prevent any data queuing that may cause any trades that are executed prior to the closing time from being reported after 4:00 p.m. If trading in expiring SPEQF and SPEQX p.m.-settled options that expire on Expiration Fridays continued an additional fifteen minutes until 4:15 p.m. on their last trading day, these expiring options would be trading after the settlement index value for those expiring options was calculated.[7] Therefore, in order to mitigate potential investor

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6 As noted above, Rule 5.1(b)(2)(C) already applies to p.m.-settled series of SPEQF and SPEQX options with Nonstandard Operations and QIXs.

7 Further, the Exchange expects that SPEQF and SPEQX p.m.-settled options (as the Exchange understands is the case for P.M.-settled SPX, XSP, RUT, and MRUT options that expire on Expiration Friday and all broad-based index options with Nonstandard Expirations, QIXs, and other p.m.-settled options) will typically be priced in the market based on corresponding futures values. If trading in expiring SPEQF and SPEQX p.m.-settled options that expire on Expiration Friday continued until 4:15 p.m. on their last trading day, these expiring options could not be priced on corresponding futures values but rather would have to be priced on the known cash value. At the same time, the prices of non-expiring SPEQF and SPEQX p.m.-settled options series that expire on a future Expiration Friday would continue to move and likely be priced in response to changes in corresponding futures prices. As a result, a potential pricing divergence could occur between 4:00 p.m. and 4:15 p.m. on the final trading day in expiring SPEQF and SPEQX p.m.-settled options that expire on Expiration Friday (e.g., a switch from pricing off of futures to cash). The Exchange understands that the switch from pricing off of futures to cash can be a difficult and risky crossover for liquidity providers. As a result, if expiring p.m.-settled contracts closed at 4:15 p.m., Market-Makers may react by widening spreads in order to compensate for the additional risk.

confusion and the potential for increased costs to investors as a result of potential pricing divergence at the end of the trading day, the Exchange believes that it is appropriate to cease trading in the expiring SPEQF and SPEQX p.m.-settled options that expire on Expiration Fridays at 4:00 p.m., as it already does for expiring p.m.-settled SPX and XSP options (as well as RUT and MRUT options) that expire on Expiration Fridays and for expiring broad-based indexes with Nonstandard Expirations (which are p.m.-settled) for the same aforementioned reasons.[8] The Exchange does not believe that the proposed rule change will impact volatility on the underlying cash markets comprising broad-based indexes at the close on Expiration Fridays, as it already closes trading on the last trading day for expiring p.m.-settled options at 4:00 p.m. (including SPX and XSP options, which have the same underlying cash markets as those of SPEQF and SPEQX options), which the Exchange does not believe has had an adverse impact on fair and orderly markets on Expiration Fridays for the underlying stocks comprising the corresponding indexes.[9]

The Exchange notes, as is the case for other p.m.-settled options, that SPEQF and SPEQX options will be aggregated with all other option contracts for those options for purposes of determining compliance with the applicable position (and exercise) limit, as well as determining position limit reporting requirements.[10]

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8 See Securities Exchange Act Release Nos. 68888 (February 8, 2013), 78 FR 10668 (February 14, 2013) (SR-CBOE-2012-120) ("SPXPM Pilot Approval Order"); 70087 (July 31, 2013), 78 FR 47809 (August 6, 2013) (SR-CBOE-2013-055) ("XSPPM Pilot Approval Order"); 91067 (February 5, 2021), 86 FR 9108 (February 11, 2021) (SR-CBOE-2020-116) ("MRUTPM Pilot Approval Order"); and 101197 (September 26, 2024), 89 FR 20291 (October 2, 2024) (SR-CBOE-2024-034) ("RUT Pilot Approval Order").

9 See Securities Exchange Act Release Nos. 98454 (September 20, 2023), 88 FR 66103 (September 26, 2023) (SR-CBOE-2023-005) ("SPXPM Permanent Approval Order"); and 98455 (September 20, 2023), 88 FR 66073 (September 26, 2023) (SR-CBOE-2023-019) ("XSPPM and MRUTPM Permanent Approval Order").

10 See Rules 8.31(b), 8.35(b) and (d), and 8.42(b) and (g).

The Exchange has analyzed its capacity and represents that it believes the Exchange has the necessary systems capacity to handle the additional traffic associated with the listing of new series that would result from the introduction of the SPEQF and SPEQX options up to the proposed number of possible p.m.-settled expirations. The Options Price Reporting Authority ("OPRA") also informed the Exchange it believes it has the necessary systems capacity to handle the additional traffic associated with the listing of new series that would result from this proposed rule change. Because the proposal is limited to p.m.-settled series with respect to two classes, the Exchange believes any additional traffic that would be generated from the introduction of p.m.-settled SPEQF and SPEQX options with the permissible expirations would be manageable.

The S&P 500 Equal Weight Index consists of the same components as the S&P 500 Index, as noted above. Because of the relationship between the S&P 500 Equal Weight Index and the S&P 500 Index, both of which market participants may use as hedging vehicles to meet their investment needs in connection with S&P 500 Index-related products and cash positions, the Exchange believes it is appropriate to permit the same expirations and settlement for SPEQF and SPEQX options as SPX and XSP options. The Exchange understands that investors often use S&P 500 Index-related products to diversify their portfolios and benefit from market trends. The Exchange believes that investors will benefit from the availability of p.m.-settled SPEQF and SPEQX options, as it will expand investing tools offering exposure to the U.S. equities market.

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

In particular, the Exchange believes the proposed rule change will remove impediments to and perfect the mechanism of a free and open market and a national market system and protect investors, because it will provide investors with additional means for additional index options to manage their risk exposures and carry out their investment objectives with more flexibility. By offering SPEQF and SPEQX p.m.-settled options that expire on Expiration Fridays, with Nonstandard Expirations, and QIXs, the proposed rule change will allow market participants to purchase options on additional

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11 15 U.S.C. 78f(b).

12 15 U.S.C. 78f(b)(5).

13 Id.

indexes available for trading on the Exchange in a manner more aligned with specific timing needs and more effectively tailor their investment and hedging strategies related to the S&P 500 Equal Weight Index and manage their portfolios. In particular, the proposed rule change will allow market participants to roll their positions in SPEQF and SPEQX options with more regularity and precision, to spread risk across more trading days, and to incorporate daily, weekly, monthly, and quarterly changes in the markets, which may reduce the premium cost of hedging.

The Exchange further believes the proposed rule change will remove impediments to and perfect the mechanism of a free and open market and a national market system because it will permit the Exchange to make available to investors series with the same expirations and settlement in SPEQF and SPEQX options as are available for SPX and XSP options. As noted above, the constituent stocks of the S&P 500 Index are the exact same as the constituent stocks of the S&P 500 Equal Weight Index. However, the Exchange believes that SPEQF and SPEQX options are designed to provide different, additional opportunities for investors to hedge the market risk associated with this index and to gain directional exposure to the index by listing options directly on this index. The U.S. equity markets have experienced increased levels of concentration in recent years. SPEQF and SPEQX options provide market participants with alternative tools to manage their risk and diversify their exposure to the stocks comprising the S&P 500 Index. Specifically, these options permit market participants to gain broad exposure to these stocks using options that would be less impacted by a shift in concentration and market momentum. Because capitalization-weighted indexes such as the S&P 500 Index are more impacted by larger capitalized stocks, options overlying an equal-weighted index (such as the S&P 500 Equal Weight Index) would permit investors to hedge against potential swings in the largest stocks comprising the S&P 500 Index while maintaining the ability to hedge across the entire span of S&P 500 constituent securities. The Exchange believes the significant liquidity of the components of the S&P 500 Equal Weight Index can withstand any additional trading as a result of listing options on an index comprised of components that also comprise other indexes underlying listed options (including unwinding of options positions into underlying stock positions). The proposed rule change will provide market participants looking to gain broad exposure to the stocks underlying the S&P 500 Index in a manner less impacted by a shift in concentration and market momentum with hedging tools with the same level of precision currently available to market participants that look to gain broad exposure to these stocks more impacted by the stocks with largest capitalization. As a result, market participants will have greater trading opportunities, regardless of in which index option market they participate.

The Exchange initially listed certain options that were p.m.-settled, including SPX and XSP options, that expire on Expiration Fridays and with Nonstandard Expirations pursuant to pilot programs,[14] so the Commission could monitor the impact of p.m.-settlement of cash-settled index derivatives on the underlying cash markets. When permanently approving these programs, the Commission recognized that listing p.m.-settled SPX and XSP options that expire on Expiration Fridays and with Nonstandard

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[14] While QIXs were not part of these pilot programs, we believe any conclusions applicable to Nonstandard Expirations, which include EOMs, would apply to QIXs, as the last calendar days of quarters represent a subset of the last calendar days of months.

Expirations were consistent with the Act.[15] The Commission noted that these p.m.-settled index options had "benefitted investors and other market participants by providing more flexible trading and hedging opportunities while also having no disruptive impact on the market."[16] The Exchange believes p.m.-settled SPEQF and SPEQX options will provide the same benefits to investors and other market participants with respect to these products. As noted above, the S&P 500 Equal Weight Index is comprised of the same components as the S&P 500 Index (which underlies SPX and XSP options). While the Commission's prior determination was based on data specific to SPX options, the Exchange believes it is appropriate to extrapolate the data to apply to p.m.-settled SPEQF and SPEQX options with the same expirations. The Commission agreed it was appropriate to similarly extrapolate this data for another broad-based index unrelated to the S&P 500 Index (specifically options on the full- and reduced-value of the Russell 2000 Index).[17] Therefore, the Exchange believes extrapolating the data results to an index comprised of the same components is more than appropriate, as the Commission has already considered the impact of p.m.-settled options on futures overlying an index with the same components, another index with the same components, and the exact index components, concluding p.m.-settled options had minimal economic impact on that

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15 See SPXPM and XSPPM Pilot Approval Orders (the Commission also recognized that these risks may have been mitigated given enhanced closing procedures in use in the primary equity markets); SPXPM and XSPPM and MRUTPM Permanent Approval Orders; and Securities Exchange Act Release No. 98456 (September 20, 2023), 88 FR 66091 (September 26, 2023) (SR-CBOE-2023-020) ("Nonstandard Permanent Approval Order").

16 See SPXPM Permanent Approval Order at 66106; XSPPM and MRUTPM Permanent Approval Order at 66076; and Nonstandard Approval Order at 66094 (citing data the Commission reviewed in connection with the pilot programs).

17 See XSPPM and MRUTPM Permanent Approval at n. 31; and Nonstandard Permanent Approval Order at n. 37 (at the time of that approval order, the Exchange had listed Nonstandard Expirations for RUT and MRUT options).

future, index, and constituents.[18] Overall, the Commission concluded that the "analysis of pilot data did not identify any significant economic impact on the underlying component securities surrounding the close as a result of expiring p.m.-settled options, nor did it indicate a deterioration in market quality . . . for an existing product when a new p.m.-settled expiration was introduced. Further significant changes in closing procedures in the decades since index options moved to a.m. settlement may also serve to mitigate the potential impact of p.m.-settled index options on the underlying cash markets."[19] The Exchange has identified no reason why the difference in weighting of the S&P 500 Index and the S&P 500 Equal Weight Index would cause p.m.-settled options overlying the S&P 500 Equal Weight Index to have a measurable impact on the same underlying cash markets when p.m.-settled options overlying the S&P 500 Index did not. Therefore, the Exchange believes permitting p.m.-settled series of SPEQF and SPEQX options will offer investors the same opportunities with the same lack of impact on the market and the component securities as p.m.-settled SPX and XSP options.

The Exchange further believes the proposed rule change will remove impediments to and perfect the mechanism of a free and open market and a national market system, and protect investors, because it will provide investors with additional means for additional index options to manage their risk exposures and carry out their investment objectives. By offering SPEQF and SPEQX p.m.-settled options that expire on Expiration Fridays, with Nonstandard Expirations, and QIXs, the proposed rule change will allow market participants to purchase options on an additional index option available

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18 See XSPPM and MRUTPM Permanent Approval at 66075; and Nonstandard Permanent Approval Order at 66093 – 66094.

19 See XSPPM and MRUTPM Permanent Approval at 66076; and Nonstandard Permanent Approval Order at 66094.

for trading on the Exchange in a manner more aligned with specific timing needs and more effectively tailor their investment and hedging strategies related to the S&P 500 Equal Weight Index and manage their portfolios. In particular, the proposed rule change will allow market participants to roll their positions in SPEQF and SPEQX options with regularity, thus with more precision, to spread risk across trading days, and to incorporate daily, weekly, monthly, and quarterly changes in the markets, which may reduce the premium cost of hedging.

In addition, the Exchange believes that the proposal to end trading at 4:00 p.m. on the last trading day for transactions in expiring SPEQF and SPEQX P.M.-settled options that expire on Expiration Fridays will prevent continued trading on a product after the exercise settlement value has been fixed, thereby mitigating potential investor confusion and the potential for increased costs to investors as a result of potential pricing divergence at the end of the trading day. This is consistent with the trading hours on the last trading day for transactions in other p.m.-settled options, including SPX and XSP options.

The Exchange represents that it has the necessary systems capacity to support the new option series given these proposed specifications. The Exchange believes that its existing surveillance and reporting safeguards (including with respect to p.m.-settled index option series) are designed to deter and detect possible manipulative behavior which might arise from listing and trading p.m.-settled SPEQF and SPEQX options. The Exchange further notes that current Exchange Rules that apply to the trading of other p.m.-settled index options traded on the Exchange, such as SPX and XSP options, would also apply to the trading of p.m.-settled SPEQF and SPEQX options, such as, for example, Exchange Rules governing customer accounts, margin requirements, position limits, and trading halt procedures.

Item 4. 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 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 p.m.-settled SPEQF and SPEQX options that expire on Expiration Fridays, with Nonstandard Expirations, and QIXs will be equally available to all market participants via Cboe Trading Permit Holders who wish to trade such options. Additionally, the proposed trading hours for expiring options on their expiration dates will be the same for all market participants. 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, because p.m.-settlement with these expirations (and the trading hours for expiring options on their expiration dates) are consistent with those of similar index products, such as SPX and XSP options (which overlie an index comprised of the same components) and competitive products.[20] Additionally, options on equity options, including options on certain ETFs that track the S&P 500 Index and the S&P 500 Equal Weight Index, are p.m.-settled. To the extent that the advent of p.m.-settled SPEQF and SPEQX options trading on the Exchange makes the Exchange a more attractive marketplace to market participants at other exchanges, such market participants are free to elect to become market participants on the Exchange.

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20 See, e.g., Nasdaq PHLX, LLC Options 4A, Section 12(a)(6) (permitting P.M.-settlement for options on the Nasdaq-100 and Nasdaq-100 Micro Indexes that expire on Expiration Fridays).

Item 5. **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.

Item 6. **Extension of Time Period for Commission Action**

Not applicable.

Item 7. **Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2) or Section 19(b)(7)(D)**

(a) Not applicable.

(b) Not applicable.

(c) Not applicable.

(d) The proposed rule change is filed for accelerated effectiveness pursuant to Section 19(b)(2) of the Act.[21] The Exchange requests that the Commission approve the proposed rule change on an accelerated basis pursuant to Section 19(b)(2) of the Act so that it may be operative as soon as practicable. The Exchange believes accelerated approval of the proposed rule change will benefit investors, because it will permit the Exchange to list p.m.-settled SPEQF and SPEQX options as soon as possible, providing investors as soon as possible with the ability to manage their risk exposures and carry out their investment objectives with respect to S&P 500 Equal Weight Index products in a more flexible and precise manner. As discussed above, the Exchange believes extrapolating the data results based on which the Commission previous approved p.m.-settled SPX (and XSP) options that expire on Expiration Fridays and with Nonstandard

[21] 15 U.S.C. 78s(b)(2).

Expirations to an index comprised of the same components is more than appropriate, as the Commission has already considered the impact of p.m.-settled options on futures overlying an index with the same components, another index with the same components, and the exact index components, concluding p.m.-settled options had minimal economic impact on that future, index, and constituents.[22] The Exchange has identified no reason why the difference in weighting of the S&P 500 Index and the S&P 500 Equal Weight Index would cause p.m.-settled options overlying the S&P 500 Equal Weight Index to have a measurable impact on the same underlying cash markets when p.m.-settled options overlying the S&P 500 Index did not. Therefore, the Exchange believes permitting p.m.-settled series of SPEQF and SPEQX options will offer investors the same opportunities with the same lack of impact on the market and the component securities as p.m.-settled SPX and XSP options.

As noted above, the Exchange believes it has the authority under current Rule 4.13(e) to list SPEQF and SPEQX options with Nonstandard Expirations. When approving the initial nonstandard expirations program (limited to Fridays other than Expiration Fridays at the time), the Commission's approval order described the proposal as one that would permit Nonstandard Expirations on "any broad-based index that is eligible for regular options trading."[23] In that approval order, the Commission nowhere stated these expirations would be available to only certain broad-based indexes available for trading at that time. Further, in no notices in which that pilot program was extended

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22 See XSPPM and MRUTPM Permanent Approval at 66075; and Nonstandard Permanent Approval Order at 66093 – 66094.

23 See Securities Exchange Act Release No. 62911 (September 14, 2010), 75 FR 57539 (September 21, 2010) (SR-CBOE-2009-075).

over the course of nearly 13 years or expanded to include Wednesday expirations[24] and Monday expirations[25] did the Commission state the Exchange would need to receive approval of another rule filing to permit the Exchange to list Nonstandard Expirations for specific broad-based index options. Since 2010, the Exchange listed Nonstandard Expirations on the S&P 500 Index (beginning in December 2010); the Mini-S&P 500 Index (beginning in November 2013); the Russell 2000 Index (beginning in March 2021); and the Mini-Russell 2000 Index beginning in January 2024. Prior to listing Nonstandard Expirations for any of these index options, the Exchange submitted no rule filing in connection with this listing but instead proceeded to list Nonstandard Expirations for these index options based on the plain language of the rule, which states Nonstandard Expirations are permitted on any broad-based index eligible for standard options trading (as all of those indexes were).

The view that "any broad-based index eligible for standard options trading" was intended to apply to any broad-based index on which the Exchange was permitted to list options rather than specific index options is further supported by the limitation to Tuesday and Thursday expirations to SPX and XSP options,[26] and the limitation of p.m.-

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24 See Securities Exchange Act Release No. 76909 (January 14, 2016), 81 FR 3512 (January 21, 2016) (SR-CBOE-2015-106) (approval to permit the Exchange to open for trading p.m.-settled options on "any broad based index eligible for standard options trading" to expire on Wednesdays).

25 See Securities Exchange Act Release No. 78531 (August 10, 2016), 81 FR 54643 (August 16, 2016) (SR-CBOE-2016-046) (approval to permit the Exchange to open for trading p.m.-settled options on "any broad based index eligible for standard options trading" to expire on Mondays).

26 See Securities Exchange Act Release Nos. 94682 (April 12, 2022), 87 FR 22993 (April 18, 2022) (SR-CBOE-2022-005); and 95795 (September 15, 2022), 87 FR 57745 (September 21, 2022) (SR-CBOE-2022-039). The Commission also approved a proposed rule change to permit p.m.-settled Tuesday and Thursday expirations on "any broad-based index eligible for standard options trading." See Securities Exchange Act Release No. 98957 (November 15, 2023), 88 FR 81130 (November 21, 2023) (SR-CBOE-2023-054).

settled options that expire on Expiration Fridays to specific index options.[27] Further, the Commission issued a notice of an immediately effective rule filing (without objection during the pre-filing stage) in which the Exchange stated intended to list MRUT options pursuant to the Nonstandard Expirations program because that program "currently allows it to list Weekly Expirations and [EOM] expirations on any broad-based index."[28] If the remainder of the Nonstandard Expirations program was intended to be limited to specific index options, the Exchange expects the Commission would have required it to list the specific index options on which it was permitted to list p.m.-settled series with expirations on Mondays, Wednesdays, and non-Expiration Friday Fridays, as well as EOMs, as was the case for these other p.m.-settled programs.

Despite the Exchange believing it already has the authority to list p.m.-settled Nonstandard Expirations for SPEQF and SPEQX (as they are eligible for standard options trading pursuant to Rule 4.10(f)), the Exchange requests accelerated approval of this proposed rule change for the reasons set forth above. Given the significant analysis performed by the Exchange and Commission with respect to p.m.-settled SPX options over a 13-year period, the Exchange does not believe a full comment and review period is

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27 See Securities Exchange Act Release Nos. 68888 (February 8, 2013), 78 FR 10668 (February 14, 2013) (SR-CBOE-2012-120); 70087 (July 31, 2013), 78 FR 47809 (August 6, 2013) (SR-CBOE-2013-055); 91067 (February 5, 2021), 86 FR 9108 (February 11, 2021) (SR-CBOE-2020-116) ("MRUT Third Friday Approval"); and 101197 (September 26, 2024), 89 FR 80291 (October 2, 2024) (SR-CBOE-2024-034) (approvals to list p.m.-settled SPX, XSP, MRUT, and RUT options, respectively, that expire on Expiration Fridays).

28 See Securities Exchange Act Release No. 90748 (December 21, 2020), 85 FR 85759 (December 29, 2020) (SR-CBOE-2020-118). The Exchange notes that a rule filing regarding MRUT options submitted at a similar time for Commission approval pursuant to Section 19(b)(2) under the Act (and approved after the other filing was noticed) was explicitly related to MRUT options that were p.m.-settled and expired on Expiration Fridays and not related to p.m.-settlement in general. See MRUT Third Friday Approval (in which the Commission described the proposal as one to permit the listing and trading of MRUT options with Expiration Friday expiration dates that were p.m.-settled).

necessary to list p.m.-settled SPEQF and SPEQX options series with the same expirations as those permissible for p.m.-settled SPX and XSP options given both underlying indexes are comprised of the same components. As noted above, the Exchange has identified no reason why the difference in weighting of the S&P 500 Index and the S&P 500 Equal Weight Index would cause p.m.-settled options overlying the S&P 500 Equal Weight Index to have a measurable impact on the same underlying cash markets when p.m.-settled options overlying the S&P 500 Index did not. Therefore, the Exchange believes permitting p.m.-settled series of SPEQF and SPEQX options will offer investors the same opportunities with the same lack of measurable impact on the market and the component securities as p.m.-settled SPX and XSP options.

Accelerated approval will permit the Exchange to make available to investors as soon as possible series with the same expirations and settlement in SPEQF and SPEQX options as are available for SPX and XSP options. This will provide market participants looking to gain broad exposure to the stocks underlying the S&P 500 Index in a manner less impacted by a shift in concentration and market momentum with hedging tools with the same level of precision currently available to market participants that look to gain broad exposure to these stocks more impacted by the stocks with largest capitalization. As a result, market participants will have available to them in a timely manner greater trading opportunities, regardless of in which index option market they participate.

Item 8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

The proposed rule change is not based on a rule either of another self-regulatory organization or of the Commission.

Item 9. **Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act**

Not applicable.

Item 10. **Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act**

Not applicable.

Item 11. **Exhibits**

Exhibit 1. Completed Notice of Proposed Rule Change for publication in the Federal Register.

Exhibit 5. Proposed rule text.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34- ; File No. SR-CBOE-2025-022]

[Insert date]

Self-Regulatory Organizations; Cboe Exchange, Inc.; Notice of Filing of a Proposed Rule Change To List P.M.-Settled Series of Options on the S&P 500 Equal Weight Index

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 [insert date], 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

The Exchange proposes to amend certain rules to permit the Exchange to list and trade options with p.m.-settlement that overlie the S&P 500 Equal Weight Index (based on both the full value and one-tenth the value of the index) ("SPEQF options" and "SPEQX options," respectively).

The text of the proposed rule change is available on the Exchange's website (http://www.cboe.com/AboutCBOE/CBOELegalRegulatoryHome.aspx), at the Exchange's Office of the Secretary, and at the Commission's Public Reference Room.

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1 15 U.S.C. 78s(b)(1).

2 17 CFR 240.19b-4.

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 purpose of this proposed rule change is to amend certain rules to permit the Exchange to list and trade SPEQF and SPEQX options that are p.m.-settled. Specifically, the Exchange proposes to (1) amend Rule 4.13, Interpretation and Policy .13 to permit the listing of P.M.-settled[3] SPEQF and SPEQX options that expire on the standard third Friday-of-the-month ("Expiration Friday")[4]; (2) amend Rule 4.13(c) to permit the Exchange to open for trading Quarterly Index Expirations ("QIXs") on SPEQF and SPEQX options[5]; and (3) permit the Exchange to list SPEQF and SPEQX options with Nonstandard Expirations pursuant to Rule 4.13(e).[6]

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3 An option with P.M.-settlement has its exercise settlement value derived from the closing prices on the expiration date.

4 Rule 4.13, Interpretation and Policy .13 currently permits the Exchange to list P.M.-settled SPX and XSP options, as well as options on the Russell 2000 Index ("RUT options") and the Mini-Russell 2000 Index ("MRUT" options), that expire on Expiration Fridays.

5 QIXs are index option contracts that expire on the last business day of a calendar quarter. Rule 4.13(c) currently permits the Exchange to list QIXs for SPX and XSP options, as well as RUT options, MRUT options, and options on the S&P 100 Index.

6 Rule 4.13(e) permits the Exchange to open for trading Weekly Expirations on any broad-based index eligible for standard options trading on any Monday, Tuesday, Wednesday, Thursday, or Friday (other than Expiration Fridays or days that coincide with an end-of-month ("EOM") expiration) or EOM expirations on any broad-based index eligible for standard options trading. While the Exchange believes it has the authority

The S&P 500 Equal Weight Index is the equal-dollar weighted version of the S&P 500 Index (which is capitalization-weighted). The S&P 500 Index measures the performance of approximately 500 of the largest capitalization stocks in the United States. The constituents of the S&P 500 Equal Weight Index are the same as those of the S&P 500 Index; the difference between the two indexes is that each constituent is allocated a fixed weight with respect to the S&P 500 Equal Weight Index rather than a capitalization weight as is the case for the S&P 500 Index. Therefore, the index that underlies options on the S&P 500 Index ("SPX options"), as well as the Mini-S&P 500 Index ("XSP options"), for which the Exchange may currently list p.m.-settled options on Expiration Fridays, with Nonstandard Expirations, and as QIXs, is comprised of the same constituents as the underlying index for SPEQF and SPEQX options.

The Exchange currently is permitted to list p.m.-settled series that expire on Expiration Friday, with Nonstandard Expirations, and QIXs for several different broad-based index options, including SPX and XSP options. This proposed rule change would permit the Exchange to list p.m.-settled SPEQF and SPEQX options that expire on Expiration Fridays, with Nonstandard Expirations, and QIXs. The availability of p.m.-settled SPEQF and SPEQX options with these various expirations will provide market participants with opportunities to trade those options in a manner more aligned with specific timing needs and more effectively tailor their investment and hedging strategies related to the S&P 500 Equal Weight Index and manage their portfolios. In particular, the proposed rule change will allow market participants to roll their positions in SPEQF and

under this rule to list SPEQF and SPEQX options with Nonstandard Expirations, Commission staff informed the Exchange that it must submit a rule filing pursuant to Section 19(b)(2) under the Act before it may list Nonstandard Expirations for these classes.

SPEQX options with regularity and more precision, to spread risk across more trading days, and incorporate daily, weekly, monthly, and quarterly changes in the markets, which may reduce the premium cost of hedging.

In connection with the proposed change to Rule 4.13, Interpretation .13, Exchange also proposes to amend Rule 5.1, which governs trading days and hours, in conjunction with the proposed addition of SPEQF and SPEQX p.m.-settled options that expire on Expiration Friday. Rule 5.1(b)(2)(C) currently provides that on their last trading day, Regular Trading Hours for expiring p.m.-settled SPX, XSP, RUT, MRUT options, as well as Index Options with Nonstandard Expirations and QIXs, may be effected on the Exchange between 9:30 a.m. and 4:00 p.m. Eastern Time[7] (as opposed to the 9:30 a.m. to 4:15 p.m. Regular Trading Hours for options with those expirations that are non-expiring). The proposed rule change amends Rule 5.1(b)(2)(C) to include SPEQF and SPEQX P.M.-settled options that expire on Expiration Friday.[8] The primary listing markets for the component securities that the S&P 500 Equal Weight Index close trading in those securities at 4:00 p.m., just as the primary listing markets for the component securities that comprise the S&P 500 and Russell 2000 Indexes close trading at 4:00 p.m. (as noted above, the components of the S&P 500 Index are identical to the components of the S&P 500 Equal Weight Index). The primary listing exchanges for the component securities disseminate closing prices for the component securities, which are used to calculate the exercise settlement value of broad-based indexes on which the Exchange lists options. The Exchange believes that, under normal trading circumstances, the primary listing markets

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[7] See Rule 1.6, which states that unless otherwise specified, all times in the Rules are Eastern Time.

[8] As noted above, Rule 5.1(b)(2)(C) already applies to p.m.-settled series of SPEQF and SPEQX options with Nonstandard Operations and QIXs.

have sufficient bandwidth to prevent any data queuing that may cause any trades that are executed prior to the closing time from being reported after 4:00 p.m. If trading in expiring SPEQF and SPEQX p.m.-settled options that expire on Expiration Fridays continued an additional fifteen minutes until 4:15 p.m. on their last trading day, these expiring options would be trading after the settlement index value for those expiring options was calculated.[9] Therefore, in order to mitigate potential investor confusion and the potential for increased costs to investors as a result of potential pricing divergence at the end of the trading day, the Exchange believes that it is appropriate to cease trading in the expiring SPEQF and SPEQX p.m.-settled options that expire on Expiration Fridays at 4:00 p.m., as it already does for expiring p.m.-settled SPX and XSP options (as well as RUT and MRUT options) that expire on Expiration Fridays and for expiring broad-based indexes with Nonstandard Expirations (which are p.m.-settled) for the same aforementioned reasons.[10] The Exchange does not believe that the proposed rule change will impact volatility on the underlying cash markets comprising broad-based indexes at the close on Expiration

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[9] Further, the Exchange expects that SPEQF and SPEQX p.m.-settled options (as the Exchange understands is the case for P.M.-settled SPX, XSP, RUT, and MRUT options that expire on Expiration Friday and all broad-based index options with Nonstandard Expirations, QIXs, and other p.m.-settled options) will typically be priced in the market based on corresponding futures values. If trading in expiring SPEQF and SPEQX p.m.-settled options that expire on Expiration Friday continued until 4:15 p.m. on their last trading day, these expiring options could not be priced on corresponding futures values but rather would have to be priced on the known cash value. At the same time, the prices of non-expiring SPEQF and SPEQX p.m.-settled options series that expire on a future Expiration Friday would continue to move and likely be priced in response to changes in corresponding futures prices. As a result, a potential pricing divergence could occur between 4:00 p.m. and 4:15 p.m. on the final trading day in expiring SPEQF and SPEQX p.m.-settled options that expire on Expiration Friday (e.g., a switch from pricing off of futures to cash). The Exchange understands that the switch from pricing off of futures to cash can be a difficult and risky crossover for liquidity providers. As a result, if expiring p.m.-settled contracts closed at 4:15 p.m., Market-Makers may react by widening spreads in order to compensate for the additional risk.

[10] See Securities Exchange Act Release Nos. 68888 (February 8, 2013), 78 FR 10668 (February 14, 2013) (SR-CBOE-2012-120) ("SPXPM Pilot Approval Order"); 70087 (July 31, 2013), 78 FR 47809 (August 6, 2013) (SR-CBOE-2013-055) ("XSPPM Pilot Approval Order"); 91067 (February 5, 2021), 86 FR 9108 (February 11, 2021) (SR-CBOE-2020-116) ("MRUTPM Pilot Approval Order"); and 101197 (September 26, 2024), 89 FR 20291 (October 2, 2024) (SR-CBOE-2024-034) ("RUT Pilot Approval Order").

Fridays, as it already closes trading on the last trading day for expiring p.m.-settled options at 4:00 p.m. (including SPX and XSP options, which have the same underlying cash markets as those of SPEQF and SPEQX options), which the Exchange does not believe has had an adverse impact on fair and orderly markets on Expiration Fridays for the underlying stocks comprising the corresponding indexes.[11]

The Exchange notes, as is the case for other p.m.-settled options, that SPEQF and SPEQX options will be aggregated with all other option contracts for those options for purposes of determining compliance with the applicable position (and exercise) limit, as well as determining position limit reporting requirements.[12]

The Exchange has analyzed its capacity and represents that it believes the Exchange has the necessary systems capacity to handle the additional traffic associated with the listing of new series that would result from the introduction of the SPEQF and SPEQX options up to the proposed number of possible p.m.-settled expirations. The Options Price Reporting Authority ("OPRA") also informed the Exchange it believes it has the necessary systems capacity to handle the additional traffic associated with the listing of new series that would result from this proposed rule change. Because the proposal is limited to p.m.-settled series with respect to two classes, the Exchange believes any additional traffic that would be generated from the introduction of p.m.-settled SPEQF and SPEQX options with the permissible expirations would be manageable.

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[11] See Securities Exchange Act Release Nos. 98454 (September 20, 2023), 88 FR 66103 (September 26, 2023) (SR-CBOE-2023-005) ("SPXPM Permanent Approval Order"); and 98455 (September 20, 2023), 88 FR 66073 (September 26, 2023) (SR-CBOE-2023-019) ("XSPPM and MRUTPM Permanent Approval Order").

[12] See Rules 8.31(b), 8.35(b) and (d), and 8.42(b) and (g).

The S&P 500 Equal Weight Index consists of the same components as the S&P 500 Index, as noted above. Because of the relationship between the S&P 500 Equal Weight Index and the S&P 500 Index, both of which market participants may use as hedging vehicles to meet their investment needs in connection with S&P 500 Index-related products and cash positions, the Exchange believes it is appropriate to permit the same expirations and settlement for SPEQF and SPEQX options as SPX and XSP options. The Exchange understands that investors often use S&P 500 Index-related products to diversify their portfolios and benefit from market trends. The Exchange believes that investors will benefit from the availability of p.m.-settled SPEQF and SPEQX options, as it will expand investing tools offering exposure to the U.S. equities market.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Act and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.[13] Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)[14] 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

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13 15 U.S.C. 78f(b).

14 15 U.S.C. 78f(b)(5).

consistent with the Section 6(b)(5)[15] requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, the Exchange believes the proposed rule change will remove impediments to and perfect the mechanism of a free and open market and a national market system and protect investors, because it will provide investors with additional means for additional index options to manage their risk exposures and carry out their investment objectives with more flexibility. By offering SPEQF and SPEQX p.m.-settled options that expire on Expiration Fridays, with Nonstandard Expirations, and QIXs, the proposed rule change will allow market participants to purchase options on additional indexes available for trading on the Exchange in a manner more aligned with specific timing needs and more effectively tailor their investment and hedging strategies related to the S&P 500 Equal Weight Index and manage their portfolios. In particular, the proposed rule change will allow market participants to roll their positions in SPEQF and SPEQX options with more regularity and precision, to spread risk across more trading days, and to incorporate daily, weekly, monthly, and quarterly changes in the markets, which may reduce the premium cost of hedging.

The Exchange further believes the proposed rule change will remove impediments to and perfect the mechanism of a free and open market and a national market system because it will permit the Exchange to make available to investors series with the same expirations and settlement in SPEQF and SPEQX options as are available for SPX and XSP options. As noted above, the constituent stocks of the S&P 500 Index are the exact same as the constituent stocks of the S&P 500 Equal Weight Index. However, the

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15 Id.

Exchange believes that SPEQF and SPEQX options are designed to provide different, additional opportunities for investors to hedge the market risk associated with this index and to gain directional exposure to the index by listing options directly on this index. The U.S. equity markets have experienced increased levels of concentration in recent years. SPEQF and SPEQX options provide market participants with alternative tools to manage their risk and diversify their exposure to the stocks comprising the S&P 500 Index. Specifically, these options permit market participants to gain broad exposure to these stocks using options that would be less impacted by a shift in concentration and market momentum. Because capitalization-weighted indexes such as the S&P 500 Index are more impacted by larger capitalized stocks, options overlying an equal-weighted index (such as the S&P 500 Equal Weight Index) would permit investors to hedge against potential swings in the largest stocks comprising the S&P 500 Index while maintaining the ability to hedge across the entire span of S&P 500 constituent securities. The Exchange believes the significant liquidity of the components of the S&P 500 Equal Weight Index can withstand any additional trading as a result of listing options on an index comprised of components that also comprise other indexes underlying listed options (including unwinding of options positions into underlying stock positions). The proposed rule change will provide market participants looking to gain broad exposure to the stocks underlying the S&P 500 Index in a manner less impacted by a shift in concentration and market momentum with hedging tools with the same level of precision currently available to market participants that look to gain broad exposure to these stocks more impacted by the stocks with largest capitalization. As a result, market participants will have greater trading opportunities, regardless of in which index option market they participate.

The Exchange initially listed certain options that were p.m.-settled, including SPX and XSP options, that expire on Expiration Fridays and with Nonstandard Expirations pursuant to pilot programs,[16] so the Commission could monitor the impact of p.m.-settlement of cash-settled index derivatives on the underlying cash markets. When permanently approving these programs, the Commission recognized that listing p.m.-settled SPX and XSP options that expire on Expiration Fridays and with Nonstandard Expirations were consistent with the Act.[17] The Commission noted that these p.m.-settled index options had "benefitted investors and other market participants by providing more flexible trading and hedging opportunities while also having no disruptive impact on the market."[18] The Exchange believes p.m.-settled SPEQF and SPEQX options will provide the same benefits to investors and other market participants with respect to these products. As noted above, the S&P 500 Equal Weight Index is comprised of the same components as the S&P 500 Index (which underlies SPX and XSP options). While the Commission's prior determination was based on data specific to SPX options, the Exchange believes it is appropriate to extrapolate the data to apply to p.m.-settled SPEQF and SPEQX options with the same expirations. The Commission agreed it was appropriate to similarly extrapolate this data for another broad-based index unrelated to the S&P 500 Index

16 While QIXs were not part of these pilot programs, we believe any conclusions applicable to Nonstandard Expirations, which include EOMs, would apply to QIXs, as the last calendar days of quarters represent a subset of the last calendar days of months.

17 See SPXPM and XSPPM Pilot Approval Orders (the Commission also recognized that these risks may have been mitigated given enhanced closing procedures in use in the primary equity markets); SPXPM and XSPPM and MRUTPM Permanent Approval Orders; and Securities Exchange Act Release No. 98456 (September 20, 2023), 88 FR 66091 (September 26, 2023) (SR-CBOE-2023-020) ("Nonstandard Permanent Approval Order").

18 See SPXPM Permanent Approval Order at 66106; XSPPM and MRUTPM Permanent Approval Order at 66076; and Nonstandard Approval Order at 66094 (citing data the Commission reviewed in connection with the pilot programs).

(specifically options on the full- and reduced-value of the Russell 2000 Index).[19] Therefore, the Exchange believes extrapolating the data results to an index comprised of the same components is more than appropriate, as the Commission has already considered the impact of p.m.-settled options on futures overlying an index with the same components, another index with the same components, and the exact index components, concluding p.m.-settled options had minimal economic impact on that future, index, and constituents.[20] Overall, the Commission concluded that the "analysis of pilot data did not identify any significant economic impact on the underlying component securities surrounding the close as a result of expiring p.m.-settled options, nor did it indicate a deterioration in market quality . . . for an existing product when a new p.m.-settled expiration was introduced. Further significant changes in closing procedures in the decades since index options moved to a.m. settlement may also serve to mitigate the potential impact of p.m.-settled index options on the underlying cash markets."[21] The Exchange has identified no reason why the difference in weighting of the S&P 500 Index and the S&P 500 Equal Weight Index would cause p.m.-settled options overlying the S&P 500 Equal Weight Index to have a measurable impact on the same underlying cash markets when p.m.-settled options overlying the S&P 500 Index did not. Therefore, the Exchange believes permitting p.m.-settled series of SPEQF and SPEQX options will offer investors the same opportunities

[19] See XSPPM and MRUTPM Permanent Approval at n. 31; and Nonstandard Permanent Approval Order at n. 37 (at the time of that approval order, the Exchange had listed Nonstandard Expirations for RUT and MRUT options).

[20] See XSPPM and MRUTPM Permanent Approval at 66075; and Nonstandard Permanent Approval Order at 66093 – 66094.

[21] See XSPPM and MRUTPM Permanent Approval at 66076; and Nonstandard Permanent Approval Order at 66094.

with the same lack of impact on the market and the component securities as p.m.-settled SPX and XSP options.

The Exchange further believes the proposed rule change will remove impediments to and perfect the mechanism of a free and open market and a national market system, and protect investors, because it will provide investors with additional means for additional index options to manage their risk exposures and carry out their investment objectives. By offering SPEQF and SPEQX p.m.-settled options that expire on Expiration Fridays, with Nonstandard Expirations, and QIXs, the proposed rule change will allow market participants to purchase options on an additional index option available for trading on the Exchange in a manner more aligned with specific timing needs and more effectively tailor their investment and hedging strategies related to the S&P 500 Equal Weight Index and manage their portfolios. In particular, the proposed rule change will allow market participants to roll their positions in SPEQF and SPEQX options with regularity, thus with more precision, to spread risk across trading days, and to incorporate daily, weekly, monthly, and quarterly changes in the markets, which may reduce the premium cost of hedging.

In addition, the Exchange believes that the proposal to end trading at 4:00 p.m. on the last trading day for transactions in expiring SPEQF and SPEQX P.M.-settled options that expire on Expiration Fridays will prevent continued trading on a product after the exercise settlement value has been fixed, thereby mitigating potential investor confusion and the potential for increased costs to investors as a result of potential pricing divergence at the end of the trading day. This is consistent with the trading hours on the last trading day for transactions in other p.m.-settled options, including SPX and XSP options.

The Exchange represents that it has the necessary systems capacity to support the new option series given these proposed specifications. The Exchange believes that its existing surveillance and reporting safeguards (including with respect to p.m.-settled index option series) are designed to deter and detect possible manipulative behavior which might arise from listing and trading p.m.-settled SPEQF and SPEQX options. The Exchange further notes that current Exchange Rules that apply to the trading of other p.m.-settled index options traded on the Exchange, such as SPX and XSP options, would also apply to the trading of p.m.-settled SPEQF and SPEQX options, such as, for example, Exchange Rules governing customer accounts, margin requirements, position limits, and trading halt procedures.

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 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 p.m.-settled SPEQF and SPEQX options that expire on Expiration Fridays, with Nonstandard Expirations, and QIXs will be equally available to all market participants via Cboe Trading Permit Holders who wish to trade such options. Additionally, the proposed trading hours for expiring options on their expiration dates will be the same for all market participants. 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, because p.m.-settlement with these expirations (and the trading hours for expiring options on their expiration dates) are consistent with those of similar index products, such as SPX and XSP options (which overlie an index comprised of the same components) and competitive products.[22] Additionally, options on equity options, including options on certain ETFs that track the S&P 500 Index and the S&P 500 Equal Weight Index, are p.m.-settled. To the extent that the advent of p.m.-settled SPEQF and SPEQX options trading on the Exchange makes the Exchange a more attractive marketplace to market participants at other exchanges, such market participants are free to elect to become market participants on the Exchange.

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

Within 45 days of the date of publication of this notice in the Federal Register or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Exchange consents, the Commission will:

A. by order approve or disapprove such proposed rule change, or

B. institute proceedings to determine whether the proposed rule change should be disapproved.

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[22] See, e.g., Nasdaq PHLX, LLC Options 4A, Section 12(a)(6) (permitting P.M.-settlement for options on the Nasdaq-100 and Nasdaq-100 Micro Indexes that expire on Expiration Fridays).

IV. Solicitation of Comments

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

Electronic Comments:

- Use the Commission's internet comment form (https://www.sec.gov/rules/sro.shtml); or
- Send an email to rule-comments@sec.gov. Please include file number SR-CBOE-2025-022 on the subject line.

Paper Comments:

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.

All submissions should refer to file number SR-CBOE-2025-022. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (https://www.sec.gov/rules/sro.shtml). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street NE, Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m.

Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-CBOE-2025-022 and should be submitted on or before [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[23]

Sherry R. Haywood,

Assistant Secretary.

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[23] 17 CFR 200.30-3(a)(12).

EXHIBIT 5

(additions are underlined; deletions are [bracketed])

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Rules of Cboe Exchange, Inc.

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Rule 4.13. Series of Index Options

(a) – (b) No change.

(c) *Quarterly Index Expirations or QIXs.* The Exchange may open for trading QIXs on the S&P 100 Index, S&P 500 Index, Mini-SPX Index, S&P 500 Equal Weight Index (full-value), S&P 500 Equal Weight Index (1/10th), Russell 2000 Index and Mini-RUT Index. QIXs shall be subject to the provisions of paragraph (a) of this Rule except that, notwithstanding the provisions of paragraph (a)(2) of this Rule, there may be up to eight near- term quarterly expirations open for trading in a class and, notwithstanding the provisions of paragraph (a)(4) of this Rule, QIXs on the S&P 500 Index, Mini-SPX Index, S&P 500 Equal Weight Index (full-value), S&P 500 Equal Weight Index (1/10th), Russell 2000 Index and Mini-RUT Index shall be P.M.-settled index options. The index multiplier for QIXs may be 1, 100 or 500.

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Interpretations and Policies

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.13 In addition to A.M.-settled S&P 500 Stock Index ("SPX"), Mini-SPX Index ("XSP"), S&P 500 Equal Weight Index ("SPEQF") (full-value), S&P 500 Equal Weight Index ("SPEQX") (1/10th), Russell 2000 Index ("RUT"), and Mini-RUT Index ("MRUT") options approved for trading on the Exchange pursuant to Rule 4.13, the Exchange may also list options on SPX, XSP, RUT, and MRUT whose exercise settlement value is derived from closing prices on their expiration dates ("P.M.-Settled").

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Rule 5.1. Trading Days and Hours

(a) No change.

(b) *Regular Trading Hours.*

(1) No change.

(2) *Index Options*. Except as otherwise set forth in the Rules or under unusual conditions as may be determined by the Exchange, Regular Trading Hours for transactions in index options are from 9:30 a.m. to 4:15 p.m., except as follows:

(A) – (B) No change.

(C) On their last trading day, Regular Trading Hours for the following options are from 9:30 a.m. to 4:00 p.m.:

* * * * *

XSP options (p.m.-settled)

SPEQF options (p.m.-settled)

SPEQX options (p.m.-settled)

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