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Page 1 of * 43		SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4		File No. * SR 2025 - * 047 Amendment No. (req. for Amendments *)	
Filing by Cboe Exchange, Inc. Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934					
Initial * <input checked="" type="checkbox"/>		Amendment * <input type="checkbox"/>		Withdrawal <input type="checkbox"/>	
Section 19(b)(2) * <input type="checkbox"/>		Section 19(b)(3)(A) * <input checked="" type="checkbox"/>		Section 19(b)(3)(B) * <input type="checkbox"/>	
Pilot <input type="checkbox"/>		Extension of Time Period for Commission Action * <input type="checkbox"/>		Date Expires * <input type="text"/>	
		Rule			
		<input type="checkbox"/> 19b-4(f)(1)		<input type="checkbox"/> 19b-4(f)(4)	
		<input type="checkbox"/> 19b-4(f)(2)		<input type="checkbox"/> 19b-4(f)(5)	
		<input type="checkbox"/> 19b-4(f)(3)		<input checked="" type="checkbox"/> 19b-4(f)(6)	
Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010 Section 806(e)(1) * <input type="checkbox"/>			Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934 Section 3C(b)(2) * <input type="checkbox"/>		
Exhibit 2 Sent As Paper Document <input type="checkbox"/>			Exhibit 3 Sent As Paper Document <input type="checkbox"/>		
Description Provide a brief description of the action (limit 250 characters, required when Initial is checked *). <div>The Exchange proposes to amend its opening process for simple orders in exclusively listed option classes.</div>					
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 * Allyson Last Name * Van Marter Title * Counsel E-mail * avanmarter@cboe.com Telephone * (312) 786-7098 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 07/09/2025 (Title *) By Laura G. Dickman (Name *) 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: 2025.07.09 10:41:12 -05'00'					

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information *

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25-047 (Forced Opening for Prop Proc

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 *

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25-047 (Forced Opening for Prop Proc

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 *

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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

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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.

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Exhibit Sent As Paper Document

Exhibit 3 - Form, Report, or Questionnaire

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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.

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Exhibit Sent As Paper Document

Exhibit 4 - Marked Copies

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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

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25-047 (Forced Opening for Prop Proc

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

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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 its opening process for simple orders in exclusively listed index option classes.¹

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 February 14, 2025. The Exchange will announce via Exchange Notice the implementation date of the proposed rule change in accordance with Rule 1.5 within 60 days of effectiveness of this rule filing.

(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 Allyson Van Marter, (312) 786-7098, Cboe Exchange, Inc., 433 West Van Buren Street, Chicago, Illinois 60607.

¹ An “exclusively listed option” is an option that may trade exclusively on an exchange (and its affiliated exchange) because the exchange has an exclusive license to list and trade the option or has the proprietary rights in the interest underlying the option. An exclusively listed option is different than a “singly listed option,” which is an option that is not an “exclusively listed option” but that is listed by one exchange and not by any other national securities exchange.

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

(a) Purpose

The Exchange proposes to amend Rule 5.31 regarding its opening process for simple orders for products it may exclusively list on the Exchange (except for SPX constituent option series on exercise settlement value determination dates²).³

Current Standard Opening Process

Currently, following the occurrence of an opening rotation trigger pursuant to Rule 5.31(d), the System conducts an opening rotation for an option series. Following the opening rotation trigger, the System conducts the Maximum Composite Width Check pursuant to Rule 5.31(e)(1) to determine if a series is eligible to open. If the Composite Market⁴ of a series is not crossed, and the Composite Width⁵ of the series is less than or equal to the Maximum Composite Width (as defined in Rule 5.31(a)), the series is eligible to open. Additionally, if the Composite Market of a series is not crossed, and the Composite Width of the series is greater than the Maximum Composite Width, but there are (i) no non-M Capacity⁶ (a) market orders or (b) buy (sell) limit orders with prices higher (lower) than the Composite Market

² See Rule 5.31(j).

³ The Exchange previously submitted the proposed rule change on May 22, 2025 (SR-CBOE-2025-038). See Securities Exchange Act Release No. 103184 (June 4, 2025), 90 FR 24471, (June 10, 2025) (SR-CBOE-2025-038). The Exchange is withdrawing SR-CBOE-2025-038 and submitting this filing to revise certain changes proposed in that filing.

⁴ The term “Composite Market” means the market for a series comprised of (1) the higher of the then-current best appointed Market-Maker bulk message bid on the Exchange and the away best bid (“ABB”) (if there is an ABB) and (2) the lower of the then-current best appointed Market-Maker bulk message offer on the Exchange and the away best offer (“ABO”) (if there is an ABO). The term “Composite Bid (Offer)” means the bid (offer) used to determine the Composite Market. See Rule 5.31(a).

⁵ The term “Composite Width” means the width of the Composite Market (i.e., the width between the Composite Bid and the Composite Offer) of a series. See Rule 5.31(a).

⁶ A non-M Capacity order is a non-Market Maker order. See Rule 1.1, definition of Capacity for a list of other Capacities that may be attached to an order.

midpoint and (ii) no orders or quotes marketable against each other, the series is eligible to open. Once a series become eligible to open, the System conducts the opening auction for the series (*i.e.* determines the opening trade price pursuant to Rule 5.31(e)(2) and opens the series pursuant to Rule 5.31(e)(3)). The Exchange may also determine to compel a series to open in the interest of fair and orderly markets, including if the opening width is wider than the Maximum Composite Width, pursuant to Rule 5.31(h). Currently, if a series cannot satisfy these conditions described above (and thus is not eligible to open), if there is no Composite Market, or if the Composite Market of a series is crossed, the series is ineligible to open.⁷ When that occurs, the Queuing Period⁸ for the series continues (including the dissemination of opening auction updates) until (i) the Maximum Composite Width Check is satisfied and the Composite Market is not crossed; (ii) there are (a) no non-M Capacity (x) market orders or (y) buy (sell) limit orders with prices higher (lower) than the Composite Market midpoint and (b) no orders or quotes marketable against each other if the Maximum Composite Width is not satisfied and the Composite Market is not crossed, or (iii) the Exchange determines to open the series pursuant to Rule 5.31(h). As described further herein, the Exchange may now manually increase the prescribed Maximum Composite Width during the Queuing Period in order to open up an exclusively listed option series.⁹

⁷ See Rule 5.31(e)(1)(C).

⁸ The term “Queuing Period” means the time period prior to the initiation of an opening rotation during which the System accepts orders and quotes in the Queuing Book (the book into which Users may submit orders for participation in the opening rotation) for participation in the opening rotation for the applicable trading session. See Rule 5.31(a).

⁹ See the definition of Maximum Composite Width, which permits the Exchange to modify the Maximum Composite Width during the opening auction process (which modifications the Exchange disseminates to all subscribers via the Exchange’s data feeds that deliver opening auction updates) in Rule 5.31(a).

Current Forced Opening Procedures for Equity and ETP Options Classes

However, currently, if a series in an equity or ETP option class is unable to open because it does not satisfy the Maximum Composite Width Check within an Exchange-designated time period and the Composite Market is not crossed, the System forces the series to open after that time period upon the System's observation of an ABBO¹⁰ (with a non-zero offer) for the series.¹¹

Background on the Current Opening Procedures for Exclusively Listed Options

As mentioned above, and as described further herein, the Exchange may now manually force open a series that does not satisfy the Maximum Composite Width by increasing the prescribed Maximum Composite Width during the Queuing Period in order to open up a series.¹² The Exchange currently exercises more discretion through this manual process than it would through the proposed automated process as it must manually review which series are not open and can determine whether it wants to force the series open. In neither the existing process nor in the proposed automated process through the proposed modified forced open rule is there an ABBO looked to (as it does not exist).

However, under the existing manual process to increase the Maximum Composite Width, if there are no Market Maker orders, and thus no Composite Width for the Exchange to manually increase, a series will not open, unless the Exchange deems it necessary for fair

¹⁰ The term "ABBO" means the best bid(s) or offer(s) disseminated by other Eligible Exchanges (as defined in Rule 5.65) and calculated by the Exchange based on market information the Exchange receives from OPRA. See Rule 1.1.

¹¹ See Rule 5.31(e)(4).

¹² See the definition of Maximum Composite Width, which permits the Exchange to modify the Maximum Composite Width during the opening auction process (which modifications the Exchange disseminates to all subscribers via the Exchange's data feeds that deliver opening auction updates) in Rule 5.31(a).

and orderly markets and opens a series pursuant to Rule 5.31(h). The new rule proposes that a forced open shall occur if there is no Composite Market so long as there are no non-M Capacity orders that are crossed. As described in further detail below, the Exchange believes this is in the best interest of market participants, as the exclusively listed options generally have a strong floor presence in addition to the on-screen liquidity – it may be the case that while there is no Composite Market on screen, there are Market Makers on the floor that can fill the customer orders. Of further note, it is also the case for some Market Makers that they may not provide on-screen liquidity until after they receive the opening trigger notification. For these reasons, the Exchange believes it is in the best interest to open up these series even if no Composite Market exists and no non-M Capacity orders are crossed.

The Exchange also notes that it may use Rule 5.31(h) to deviate from the standard opening process, including: (i) adjusting the timing of the opening rotation in any option class, (ii) modifying any time periods described in Rule 5.31, and (iii) compelling a series open, even if the Maximum Composite Width check is not satisfied, but these events may only happen manually if the Exchange determines it is necessary in the interests of a fair and orderly market. The Exchange notes that it will retain this authority still under the new proposed forced opening rule.

Proposed Forced Opening Procedures for Exclusively Listed Options

The proposed rule change expands the existing forced opening provision to now apply to exclusively listed option series, except that (i) the ABBO will not be used as a triggering factor to open a series as there is no ABBO for the exclusively listed option series; (ii) if the Composite Market is too wide, a series will open so long as the Composite Market is not crossed and there are no non-M capacity orders that are crossed (unlike the existing forced

opening provision which only requires that the Composite Market is not crossed and there is an ABBO) and (iii) the series may open if there is no Composite Market so long as there are no non-M Capacity orders that are crossed.¹³

Specifically, as proposed, if a series in an exclusively listed option class is unable to open because it does not satisfy the Maximum Composite Width Check described above within a time period (which the Exchange determines for exclusively listed options¹⁴) after the occurrence of the opening rotation trigger for the class pursuant to Rule 5.31(d), and (i) the Composite Market is not crossed and no non-M Capacity orders are crossed or (ii) there is no Composite Market and there are no non-M Capacity orders that are crossed, the System forces the series to open after that time period. For a series subject to a forced opening, the opening trade price determination and series open set forth in Rule 5.31(e)(2) and (3) (i.e., the opening auction) do not occur; instead, the System opens the series without a trade. This will permit a series to open for trading on the Exchange even though the market for the series on the Exchange may be wide (or if there are no quotes or orders on the book).¹⁵ As described above, the two primary distinctions between the existing manual process that is used to manually open exclusively listed options, where the Maximum Composite Width is manually

¹³ The proposed forced opening process has no impact on the modified opening auction process set forth in Rule 5.31(j) and would not apply to SPX constituent option series on exercise settlement value determination days.

¹⁴ The proposed rule change permits the Exchange to determine one time period for all exclusively listed options and one time period for equity and ETP classes, which may be the same time period. The Exchange believes in doing so, it can best adapt to unique changes with its exclusively listed options to account for the fact that its exclusively listed options are also traded during GTH session and, in addition to being traded electronically (as the equity and ETP classes are), they are also traded open outcry as well.

¹⁵ The Exchange notes that a wide market is not a reason enough for not opening as a wide market may occur at any point during the trading day. As described further herein, it is more of a risk for participants to keep the market closed, preventing participants from managing their position exposure as other markets are already open.

widened, and the proposed forced opening process for exclusively listed options, are (i) the proposed automated process is more efficient and transparent process and (ii) an exclusively listed option series may still open even if there is no Composite Market so long as no non-M Capacity orders are crossed. However, as previously noted, the Exchange may also open up a series if it deems so necessary in the interest of a fair and orderly market pursuant to Rule 5.31(h).

If a series satisfies the Maximum Composite Width Check prior to the end of the Exchange-determined time period, the series opens pursuant to Rule 5.31(d)(2) and (3) (i.e., the standard opening auction process occurs for the series). For example, suppose the Exchange determined the “forced opening” timer for exclusively listed option series to be three minutes. If the opening trigger for an exclusively listed option series occurs at 9:30:05 Eastern time but the series does not satisfy the Maximum Composite Width Check after the trigger, the System will force the series open after 9:33:05 Eastern time. However, if the series satisfies the Maximum Composite Width Check at 9:32:30, the series will open at that time in accordance with the normal opening auction process. The current rule still allows the market to open even if the market is wide by (i) manually increasing the Maximum Composite Width¹⁶ or (ii) allowing the series to open in accordance with Rule 5.31(e)(1)(B), which allows the series to open if the Composite Market of a series is not crossed, and the Composite Width of the series is greater than the Maximum Composite Width, but there are (i) no non-M Capacity (a) market orders or (b) buy (sell) limit orders with prices higher (lower) than the Composite Market midpoint and (ii) no orders or quotes marketable against each other.

No ABBO Requirement for Exclusively Listed Options

¹⁶ See supra note 12.

Given the current method of manually increasing the Maximum Composite Width as a way to force a series open if it does not satisfy the Maximum Composite Width, the Exchange believes the proposed rule is a better alternative to open up a series for trading, as it allows for greater transparency and clearer expectations for market participants, as well as taking away the possibility of error from manual human intervention. As described further herein, the ABBO is not a requirement for the standard opening process for any option classes, including equity and ETP option classes. Specifically, if no away markets are open in a series, there would be no ABBO for that series and thus the Composite Market for the series (and thus whether the series would open) would be based solely on the Exchange's market for the series. Further, if the ABBO is wider than the Exchange's market for a series, the ABBO is also not a factor into whether the System opened the series. In those cases, whether an equity or ETF option series satisfied the Maximum Composite Width check would be based solely on the Exchange's market. With respect to the forced opening process for equity and ETP option classes, it may even be the case that the ABBO is wider than the Exchange's market.

Differences Between the Forced Opening Process for Equity and ETP Option Classes and the Proposed Process for Exclusively Listed Options

The Exchange notes that it previously adopted a similar process to force an open for series in an equity or exchange-traded product option classes.¹⁷ The only substantive differences within these two processes is that (i) the process for exclusively listed options will not rely on the additional requirement that the system observes an ABBO after the designated time period passes since exclusively listed options will not have an ABBO as the products are

¹⁷ See Securities Exchange Act Release No. 90967 (January 22, 2021), 86 FR 7429 (January 28, 2021) (SR-CBOE-2021-005).

not listed on any other exchange ; (ii) the process for exclusively listed options will also require that there are no non-M Capacity orders that are crossing (this is not a requirement for the existing equity and ETP option classes; and (iii) exclusively listed option series may open if there is no Composite Market so long as there are no non-M Capacity orders that are crossing.

With the exception that there is not an ABBO that may be looked at first, that no non-M Capacity orders are crossed in the event the Composite Market is too wide, and that a Composite Market is not required to exist (so long as there are no non-M Capacity orders that are crossed), all other protections that were put into place during the inception of the forced open for equity and ETP classes will also apply to the proposed forced open for exclusively listed options. Rule 5.31(f) provides that in the event of a forced opening of a series pursuant to proposed Rule 5.31(e)(4) or a compelled opening of a series pursuant to paragraph (h), the System enters all of a User's orders in that series in the Queuing Book¹⁸ into the Book in the manner set forth in current Rule 5.31(f), unless a User instructs the System to cancel its market orders or all of its orders, in which case the System enters only the non-cancelled orders into the Book in this manner. Specifically, they will be processed in accordance with Rule 5.32 (as unexecuted orders and quotes are handled following the conclusion of the opening rotation), which describes how the System processes, handles, and executes orders. If any order or quote in the Queuing Book is marketable upon the forced opening (and the User does

¹⁸ The term "Queuing Book" means the book into which Users may submit orders and quotes (and onto which GTC and GTD orders remaining on the Book from the previous trading session or trading day, as applicable, are entered) during the Queuing Period for participation in the applicable opening rotation. Orders and quotes on the Queuing Book may not execute until the opening rotation. The Queuing Book for the GTH opening auction process may be referred to as the "GTH Queuing Book," and the Queuing Book for the RTH opening auction process may be referred to as the "RTH Queuing Book. See Rule 5.31(a).

not instruct the System to cancel it as proposed), the System would execute marketable orders subject to the priority rules set forth in Rule 5.32. Any non-marketable order would enter the Book or cancel, subject to the User instructions. This proposed change provides Users with flexibility for automated handling of their orders in the event an exclusively listed option series opens with a wide market as opposed to the existing manual process where the Exchange manually increases the Maximum Composite Width to force an open¹⁹.

SPX Constituent Option Series

Lastly, the Exchange proposes to amend Rule 5.31(e)(4) to not apply the proposed forced opening process to the opening of the SPX constituent option series on exercise settlement value determination dates, as the opening auction process currently set forth in Rule 5.31(j) to calculate the exercise or final settlement, as applicable, of expiring VIX derivatives shall still apply to those series on those dates. Therefore, SPX constituent option series will open pursuant to Rule 5.31(j) on exercise settlement value determination dates.

(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.²⁰ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)²¹ 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

¹⁹ See supra note 12.

²⁰ 15 U.S.C. 78f(b).

²¹ 15 U.S.C. 78f(b)(5).

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)²² 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 forced opening process for simple orders in its exclusively listed option series will remove impediments to and perfect the mechanism of a free and open market and a national market system and protect investors. The proposed rule change will provide for a series to open for trading on the Exchange sooner than it may automatically open currently. The Exchange believes the proposed rule change will benefit investors, because it may permit these options to open sooner and increase the times during which investors may conduct trading in these options, allowing participants to trade, hedge exposure, and exit positions in a timely manner. While the width of Market-Maker quotes on the Exchange (and thus the Composite Width) for an exclusively listed option series may be wider than the Maximum Composite Width²³ or, no Market-Maker quotes for an exclusively listed option series are present in the book (and thus there is no Composite Market for the series), the Exchange believes it is reasonable to open the series after a certain amount of time has passed. The Exchange further notes that

²² Id.

²³ The Exchange notes pursuant to Rule 5.31(e)(1)(B), there are currently instances in which the Exchange will open for trading despite the Composite Market Width being larger than the Maximum Composite Width.

it does not believe wide Market Maker quotes in and of itself is an adequate reason to delay the opening, as that may occur at any time during the trading day. The Exchange understands from customers they would prefer to be able to begin trading the Exchange's exclusively listed index options without undue delay, even in a wide market, in a timeframe more closely aligned with equities and ETP options²⁴ (there have been delays as long as ten to fifteen minutes after markets open). A delayed opening may leave participants unable to efficiently hedge, exit, and otherwise manage positions as needed, particularly because the value of the index may be changing given that the stocks comprising the index are open for trading. As a result, a delayed opening may create more investment risk for market participants than opening with a market comprised of wide or no Market-Maker quotes (which as noted above, is a market condition that may occur at any time). Additionally, the proposed ability of Users to cancel orders in the event of a forced opening will provide Users with additional protection.

As discussed above, the Exchange currently has the authority, when it deems necessary, to deviate from the standard opening process, including: (i) adjusting the timing of the opening rotation in any option class, (ii) modifying any time periods described in Rule 5.31, and (iii) compelling a series open, even if the Maximum Composite Width check is not satisfied, but these events may only happen manually if the Exchange determines it is necessary in the interests of a fair and orderly market.²⁵ The proposed rule change is consistent with the authority granted under Rule 5.31(h). Furthermore, this proposed rule change creates an automated compelled opening in certain circumstances by not needing

²⁴ See Rule 5.31(e)(4).

²⁵ See Rule 5.31(h).

to rely on the manual process of increasing the Maximum Composite Width that may currently be used under the definition of Maximum Composite Width under Rule 5.31(a), with the exception that a series may be forced open under this proposed rule even if no Composite Market exists, so long as there are no non-M Capacity orders crossed. This will benefit investors by providing additional transparency to the Rules regarding when a series may open despite not satisfying the Maximum Composite Width check as well as remove impediments to and perfect the mechanism of a free and open market and a national market system by automating an otherwise manual process. Furthermore, the Exchange believes it is in the best interest of investors to allow an exclusively listed option series to open even if there is no Composite Market, so long as no non-M Capacity orders are crossed, as there may be liquidity on the floor from Market Makers. This continues to protect customer orders from executing at the open at a potentially erroneous price given that the requirement that there be no non-M Capacity orders crossed. By allowing these markets to open in a timely manner, market participants would be able to have their orders filled and manage their existing positions earlier, thus reducing potential investment risk associated with further delaying the open.

Further, as discussed above, the Exchange believes it is in the best interest of market participants to allow the Exchange discretion to determine a different time period for its exclusively listed options that may be different from the time period for its equity and ETP options. As noted, there are differences that between these groups, notably, that exclusively listed options also trade in an open outcry market in addition to trading electronically (equity and ETP options are only traded electronically on the Exchange) and exclusively listed options may also trade during the GTH trading session. Further, under Rule 5.31(h),

the Exchange already has the authority to adjust any time periods under Rule 5.31, which include the forced open timers, when it deems necessary for a fair and orderly market. The Exchange proposes to make this discretion clear within the proposed rule, where the Exchange may have different timers for (i) equity and ETP options and (ii) exclusively listed options.

Additionally, by establishing this process instead of manually increasing the Maximum Composite Width, the Exchange believes this provides greater transparency and clarity and better sets out expectations for participants. The Exchange notes that it still maintains its existing authority under Rule 5.31(h) to deviate from the standard manner of the opening auction process. The Exchange does not think that not having an ABBO (as none exists for exclusively listed options) is of note, as the Exchange manually forces an open now by increasing the Maximum Composite Width and an ABBO is not required under that procedure. Of further note, the ABBO is not a requirement for the standard opening process for any option classes, including equity and ETP option classes. Specifically, if no away markets are open in equity or ETP options, there would be no ABBO for that series and thus the Composite Market for the series (and thus whether the series would open) would be based solely on the Exchange's market for the series. Further, if the ABBO is wider than the Exchange's market for a series, the ABBO is also not a factor into whether the System opened the series. In those cases, whether an equity or ETF option series satisfied the Maximum Composite Width check would be based solely on the Exchange's market.

Further, as previously discussed, the Exchange believes it furthers its goal of conducting fair and orderly markets by forcing its exclusively listed options to open if there

is no Composite Market. In the event there is no Composite Market from there being no on-screen two-sided market from Market Maker bids and offers, and there are no non-M Capacity orders that are crossed, the Exchange believes it is in the benefit of the market to move forward with opening, so customers may commence trading. As described above, there may be liquidity on the floor from Market Makers and the Exchange understands from market participants they would rather commence trading to manage their positions even if there are wide, or no, Market-Maker quotes on the book.

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 that the proposed rule change will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because all Users may trade in any exclusively listed option series that opens subject to the proposed forced opening process. The proposed forced opening process for exclusively listed option series is also substantially similar to the current forced opening process for equity and ETP option series, with the exception that, (i) there is no ABBO for exclusively listed option series, and thus, is not a step in the forced opening process for the exclusively listed option series; (ii) exclusively listed options shall also require that there are no non-M Capacity orders crossed; and (iii) a Composite Market is not required for exclusively listed options, as described above. Additionally, all Users will have the opportunity to instruct the System to cancel its market orders or all open orders in the event of a forced or otherwise manual opening. Cancellation of some or all of a User's

orders in the event of such an opening would be voluntary and completely within the User's discretion.

The Exchange does not believe that 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 the proposed rule change updates the opening process for exclusively listed options that may trade only on the Exchange. As discussed above, the proposed rule change will allow participants to begin trading, hedging exposure, and exiting positions in exclusively listed options in a timely manner, consistent with the timing and process the Exchange currently uses for equity and ETP options. The proposed flexibility for Users to instruct the System how to handle their orders in the event of a forced or manual opening applies only to how a User's orders on the Exchange will be handled in such a circumstance.

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 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) The proposed rule change is filed for immediate effectiveness pursuant to Section 19(b)(3)(A) of Act²⁶ and Rule 19b-4(f)(6)²⁷ thereunder.

²⁶ 15 U.S.C. 78s(b)(3)(A).

²⁷ 17 CFR 240.19b-4(f)(6).

(b) The Exchange designates that the proposed rule change effects a change that (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest. Additionally, the Exchange has given the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission.

The Exchange believes the proposed forced opening process for simple orders in exclusively listed options will not significantly affect the protection of investors or the public interest. The Exchange believes the proposed rule change will provide for exclusively listed option series to open for trading on the Exchange sooner than they may open currently. The Exchange believes the proposed rule change will benefit investors, because it may permit these options to open sooner and increase the times during which investors may conduct trading in these options. While the market on the Exchange for a series may be wider than the Maximum Composite Width, the Exchange believes it is reasonable to open the series to allow participants to be able to effectively manage their positions earlier than they currently can and in a manner similar to that of other options trading on the Exchange. Additionally, the Exchange believes it's reasonable to permit a series to open even if no Composite Market exists so customers can better manage positions once markets open and Market Makers will commence quoting at that time.

The proposed rule change is not novel, as the Exchange currently has the authority to deviate from the standard opening process, including to manually increase the Maximum Composite Width amounts (*i.e.*, widen the permissible opening market) and to compel an exclusively listed option series open, even if the initial Maximum Composite Width check is not satisfied.²⁸ Additionally, if a series is not open on the Exchange, the Exchange, if it deems necessary in the interests of a fair and orderly market open, may manually open a series.²⁹ Manually increasing the Maximum Composite Width for a series until the series open is a different manual process than compelling the series to open through the proposed forced opening process, but ultimately achieves the same result of causing a series that does not satisfy the initial Maximum Composite Width check to otherwise open. The Exchange believes it is in the interest of a fair and orderly market to deviate from the opening process to cause a series to open, despite a wide Exchange market. Moreover, options exchanges have varying opening processes and have made separate determinations on what constitutes reasonable opening market widths, other options exchanges have the flexibility to determine the amounts of opening market widths.³⁰ The Exchange does not believe that the proposed rule change will impose any significant burden on competition because all Users may trade in any exclusively listed option series that opens subject to the proposed forced opening process. Additionally, all Users will have the opportunity to instruct the System to cancel its market orders or all open orders in the event of a forced or otherwise manual opening. Cancellation of some or all of a User's orders in the event of

²⁸ See definition of Maximum Composite Width in Rule 5.31(a).

²⁹ See Rule 5.31(h).

³⁰ See, e.g., NOM Options 3, Section 8(a)(6).

such an opening would be voluntary and completely within the User's discretion. The proposed flexibility for Users to instruct the System how to handle their orders in the event of a forced or manual opening applies only to how a User's orders on the Exchange will be handled in such a circumstance.

For the foregoing reasons, this rule filing qualifies as a "non-controversial" rule change under Rule 19b-4(f)(6), which renders the proposed rule change effective upon filing with the Commission. At any time within 60 days of the filing of this 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.

(c) Not applicable.

(d) Not applicable.

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 rules 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-2025-047]

[Insert date]

Self-Regulatory Organizations; Cboe Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend its Opening Process for Simple Orders in Exclusively Listed Index Option Classes

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 Exchange filed the proposal as a “non-controversial” proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act³ and Rule 19b-4(f)(6) thereunder.⁴ 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 its opening process for simple orders in exclusively listed index option classes.⁵ The text of the proposed rule change is provided in Exhibit 5.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(iii).

⁴ 17 CFR 240.19b-4(f)(6).

⁵ An “exclusively listed option” is an option that may trade exclusively on an exchange (and its affiliated exchange) because the exchange has an exclusive license to list and trade the option or has the proprietary rights in the interest underlying the option. An exclusively listed option is different than a “singly listed option,” which is an option that is not an “exclusively listed option” but that is listed by one exchange and not by any other national securities exchange.

The text of the proposed rule change is also 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.

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

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

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

1. Purpose

The Exchange proposes to amend Rule 5.31 regarding its opening process for simple orders for products it may exclusively list on the Exchange (except for SPX constituent option series on exercise settlement value determination dates⁶).⁷

Current Standard Opening Process

Currently, following the occurrence of an opening rotation trigger pursuant to Rule 5.31(d), the System conducts an opening rotation for an option series. Following the opening rotation trigger, the System conducts the Maximum Composite Width Check pursuant to Rule 5.31(e)(1) to determine if a series is eligible to open. If the Composite Market⁸ of a

⁶ See Rule 5.31(j).

⁷ The Exchange previously submitted the proposed rule change on May 22, 2025 (SR-CBOE-2025-038). See Securities Exchange Act Release No. 103184 (June 4, 2025), 90 FR 24471, (June 10, 2025) (SR-CBOE-2025-038). The Exchange is withdrawing SR-CBOE-2025-038 and submitting this filing to revise certain changes proposed in that filing.

⁸ The term "Composite Market" means the market for a series comprised of (1) the higher of the then-

series is not crossed, and the Composite Width⁹ of the series is less than or equal to the Maximum Composite Width (as defined in Rule 5.31(a)), the series is eligible to open. Additionally, if the Composite Market of a series is not crossed, and the Composite Width of the series is greater than the Maximum Composite Width, but there are (i) no non-M Capacity¹⁰ (a) market orders or (b) buy (sell) limit orders with prices higher (lower) than the Composite Market midpoint and (ii) no orders or quotes marketable against each other, the series is eligible to open. Once a series become eligible to open, the System conducts the opening auction for the series (*i.e.* determines the opening trade price pursuant to Rule 5.31(e)(2) and opens the series pursuant to Rule 5.31(e)(3)). The Exchange may also determine to compel a series to open in the interest of fair and orderly markets, including if the opening width is wider than the Maximum Composite Width, pursuant to Rule 5.31(h). Currently, if a series cannot satisfy these conditions described above (and thus is not eligible to open), if there is no Composite Market, or if the Composite Market of a series is crossed, the series is ineligible to open.¹¹ When that occurs, the Queuing Period¹² for the series continues (including the dissemination of opening auction updates) until (i) the Maximum Composite Width Check is satisfied and the Composite Market is

current best appointed Market-Maker bulk message bid on the Exchange and the away best bid (“ABB”) (if there is an ABB) and (2) the lower of the then-current best appointed Market-Maker bulk message offer on the Exchange and the away best offer (“ABO”) (if there is an ABO). The term “Composite Bid (Offer)” means the bid (offer) used to determine the Composite Market. See Rule 5.31(a).

⁹ The term “Composite Width” means the width of the Composite Market (*i.e.*, the width between the Composite Bid and the Composite Offer) of a series. See Rule 5.31(a).

¹⁰ A non-M Capacity order is a non-Market Maker order. See Rule 1.1, definition of Capacity for a list of other Capacities that may be attached to an order.

¹¹ See Rule 5.31(e)(1)(C).

¹² The term “Queuing Period” means the time period prior to the initiation of an opening rotation during which the System accepts orders and quotes in the Queuing Book (the book into which Users may submit orders for participation in the opening rotation) for participation in the opening rotation for the applicable trading session. See Rule 5.31(a).

not crossed; (ii) there are (a) no non-M Capacity (x) market orders or (y) buy (sell) limit orders with prices higher (lower) than the Composite Market midpoint and (b) no orders or quotes marketable against each other if the Maximum Composite Width is not satisfied and the Composite Market is not crossed, or (iii) the Exchange determines to open the series pursuant to Rule 5.31(h). As described further herein, the Exchange may now manually increase the prescribed Maximum Composite Width during the Queuing Period in order to open up an exclusively listed option series.¹³

Current Forced Opening Procedures for Equity and ETP Options Classes

However, currently, if a series in an equity or ETP option class is unable to open because it does not satisfy the Maximum Composite Width Check within an Exchange-designated time period and the Composite Market is not crossed, the System forces the series to open after that time period upon the System's observation of an ABBO¹⁴ (with a non-zero offer) for the series.¹⁵

Background on the Current Opening Procedures for Exclusively Listed Options

As mentioned above, and as described further herein, the Exchange may now manually force open a series that does not satisfy the Maximum Composite Width by increasing the prescribed Maximum Composite Width during the Queuing Period in order to open up a series.¹⁶ The Exchange currently exercises more discretion through this

¹³ See the definition of Maximum Composite Width, which permits the Exchange to modify the Maximum Composite Width during the opening auction process (which modifications the Exchange disseminates to all subscribers via the Exchange's data feeds that deliver opening auction updates) in Rule 5.31(a).

¹⁴ The term "ABBO" means the best bid(s) or offer(s) disseminated by other Eligible Exchanges (as defined in Rule 5.65) and calculated by the Exchange based on market information the Exchange receives from OPRA. See Rule 1.1.

¹⁵ See Rule 5.31(e)(4).

¹⁶ See the definition of Maximum Composite Width, which permits the Exchange to modify the Maximum Composite Width during the opening auction process (which modifications the Exchange

manual process then it would through the proposed automated process as it must manually review which series are not open and can determine whether it wants to force the series open. In neither the existing process nor in the proposed automated process through the proposed modified forced open rule is there are an ABBO looked to (as it does not exist).

However, under the existing manual process to increase the Maximum Composite Width, if there are no Market Maker orders, and thus no Composite Width for the Exchange to manually increase, a series will not open, unless the Exchange deems it necessary for fair and orderly markets and opens a series pursuant to Rule 5.31(h). The new rule proposes that a forced open shall occur if there is no Composite Market so long as there are no non-M Capacity orders that are crossed. As described in further detail below, the Exchange believes this is in the best interest of market participants, as the exclusively listed options generally have a strong floor presence in addition to the on-screen liquidity – it may be the case that while there is no Composite Market on screen, there are Market Makers on the floor that can fill the customer orders. Of further note, it is also the case for some Market Makers that they may not provide on-screen liquidity until after they receive the opening trigger notification. For these reasons, the Exchange believes it is in the best interest to open up these series even if no Composite Market exists and no non-M Capacity orders are crossed.

The Exchange also notes that it may use Rule 5.31(h) to deviate from the standard opening process, including: (i) adjusting the timing of the opening rotation in any option class, (ii) modifying any time periods described in Rule 5.31, and (iii) compelling a series

disseminates to all subscribers via the Exchange's data feeds that deliver opening auction updates) in Rule 5.31(a).

open, even if the Maximum Composite Width check is not satisfied, but these events may only happen manually if the Exchange determines it is necessary in the interests of a fair and orderly market. The Exchange notes that it will retain this authority still under the new proposed forced opening rule.

Proposed Forced Opening Procedures for Exclusively Listed Options

The proposed rule change expands the existing forced opening provision to now apply to exclusively listed option series, except that (i) the ABBO will not be used as a triggering factor to open a series as there is no ABBO for the exclusively listed option series; (ii) if the Composite Market is too wide, a series will open so long as the Composite Market is not crossed and there are no non-M capacity orders that are crossed (unlike the existing forced opening provision which only requires that the Composite Market is not crossed and there is an ABBO) and (iii) the series may open if there is no Composite Market so long as there are no non-M Capacity orders that are crossed.¹⁷

Specifically, as proposed, if a series in an exclusively listed option class is unable to open because it does not satisfy the Maximum Composite Width Check described above within a time period (which the Exchange determines for exclusively listed options¹⁸) after the occurrence of the opening rotation trigger for the class pursuant to Rule 5.31(d), and (i) the Composite Market is not crossed and no non-M Capacity orders are crossed or (ii) there

¹⁷ The proposed forced opening process has no impact on the modified opening auction process set forth in Rule 5.31(j) and would not apply to SPX constituent option series on exercise settlement value determination days.

¹⁸ The proposed rule change permits the Exchange to determine one time period for all exclusively listed options and one time period for equity and ETP classes, which may be the same time period. The Exchange believes in doing so, it can best adapt to unique changes with its exclusively listed options to account for the fact that its exclusively listed options are also traded during GTH session and, in addition to being traded electronically (as the equity and ETP classes are), they are also traded open outcry as well.

is no Composite Market and there are no non-M Capacity orders that are crossed, the System forces the series to open after that time period. For a series subject to a forced opening, the opening trade price determination and series open set forth in Rule 5.31(e)(2) and (3) (i.e., the opening auction) do not occur; instead, the System opens the series without a trade. This will permit a series to open for trading on the Exchange even though the market for the series on the Exchange may be wide (or if there are no quotes or orders on the book).¹⁹ As described above, the two primary distinctions between the existing manual process that is used to manually open exclusively listed options, where the Maximum Composite Width is manually widened, and the proposed forced opening process for exclusively listed options, are (i) the proposed automated process is more efficient and transparent process and (ii) an exclusively listed option series may still open even if there is no Composite Market so long as no non-M Capacity orders are crossed. However, as previously noted, the Exchange may also open up a series if it deems so necessary in the interest of a fair and orderly market pursuant to Rule 5.31(h).

If a series satisfies the Maximum Composite Width Check prior to the end of the Exchange-determined time period, the series opens pursuant to Rule 5.31(d)(2) and (3) (i.e., the standard opening auction process occurs for the series). For example, suppose the Exchange determined the “forced opening” timer for exclusively listed option series to be three minutes. If the opening trigger for an exclusively listed option series occurs at 9:30:05 Eastern time but the series does not satisfy the Maximum Composite Width Check after the trigger, the System will force the series open after 9:33:05 Eastern time. However,

¹⁹ The Exchange notes that a wide market is not a reason enough for not opening as a wide market may occur at any point during the trading day. As described further herein, it is more of a risk for participants to keep the market closed, preventing participants from managing their position exposure as other markets are already open.

if the series satisfies the Maximum Composite Width Check at 9:32:30, the series will open at that time in accordance with the normal opening auction process. The current rule still allows the market to open even if the market is wide by (i) manually increasing the Maximum Composite Width²⁰ or (ii) allowing the series to open in accordance with Rule 5.31(e)(1)(B), which allows the series to open if the Composite Market of a series is not crossed, and the Composite Width of the series is greater than the Maximum Composite Width, but there are (i) no non-M Capacity (a) market orders or (b) buy (sell) limit orders with prices higher (lower) than the Composite Market midpoint and (ii) no orders or quotes marketable against each other.

No ABBO Requirement for Exclusively Listed Options

Given the current method of manually increasing the Maximum Composite Width as a way to force a series open if it does not satisfy the Maximum Composite Width, the Exchange believes the proposed rule is a better alternative to open up a series for trading, as it allows for greater transparency and clearer expectations for market participants, as well as taking away the possibility of error from manual human intervention. As described further herein, the ABBO is not a requirement for the standard opening process for any option classes, including equity and ETP option classes. Specifically, if no away markets are open in a series, there would be no ABBO for that series and thus the Composite Market for the series (and thus whether the series would open) would be based solely on the Exchange's market for the series. Further, if the ABBO is wider than the Exchange's market for a series, the ABBO is also not a factor into whether the System opened the series. In those cases, whether an equity or ETF option series satisfied the Maximum

²⁰ See supra note 16.

Composite Width check would be based solely on the Exchange's market. With respect to the forced opening process for equity and ETP option classes, it may even be the case that the ABBO is wider than the Exchange's market.

Differences Between the Forced Opening Process for Equity and ETP Option Classes and the Proposed Process for Exclusively Listed Options

The Exchange notes that it previously adopted a similar process to force an open for series in an equity or exchange-traded product option classes.²¹ The only substantive differences within these two processes is that (i) the process for exclusively listed options will not rely on the additional requirement that the system observes an ABBO after the designated time period passes since exclusively listed options will not have an ABBO as the products are not listed on any other exchange ; (ii) the process for exclusively listed options will also require that there are no non-M Capacity orders that are crossing (this is not a requirement for the existing equity and ETP option classes; and (iii) exclusively listed option series may open if there is no Composite Market so long as there are no non-M Capacity orders that are crossing.

With the exception that there is not an ABBO that may be looked at first, that no non-M Capacity orders are crossed in the event the Composite Market is too wide, and that a Composite Market is not required to exist (so long as there are no non-M Capacity orders that are crossed), all other protections that were put into place during the inception of the forced open for equity and ETP classes will also apply to the proposed forced open for exclusively listed options. Rule 5.31(f) provides that in the event of a forced opening of a

²¹ See Securities Exchange Act Release No. 90967 (January 22, 2021), 86 FR 7429 (January 28, 2021) (SR-CBOE-2021-005).

series pursuant to proposed Rule 5.31(e)(4) or a compelled opening of a series pursuant to paragraph (h), the System enters all of a User's orders in that series in the Queuing Book²² into the Book in the manner set forth in current Rule 5.31(f), unless a User instructs the System to cancel its market orders or all of its orders, in which case the System enters only the non-cancelled orders into the Book in this manner. Specifically, they will be processed in accordance with Rule 5.32 (as unexecuted orders and quotes are handled following the conclusion of the opening rotation), which describes how the System processes, handles, and executes orders. If any order or quote in the Queuing Book is marketable upon the forced opening (and the User does not instruct the System to cancel it as proposed), the System would execute marketable orders subject to the priority rules set forth in Rule 5.32. Any non-marketable order would enter the Book or cancel, subject to the User instructions. This proposed change provides Users with flexibility for automated handling of their orders in the event an exclusively listed option series opens with a wide market as opposed to the existing manual process where the Exchange manually increases the Maximum Composite Width to force an open²³.

SPX Constituent Option Series

Lastly, the Exchange proposes to amend Rule 5.31(e)(4) to not apply the proposed forced opening process to the opening of the SPX constituent option series on exercise settlement value determination dates, as the opening auction process currently set forth in

²² The term "Queuing Book" means the book into which Users may submit orders and quotes (and onto which GTC and GTD orders remaining on the Book from the previous trading session or trading day, as applicable, are entered) during the Queuing Period for participation in the applicable opening rotation. Orders and quotes on the Queuing Book may not execute until the opening rotation. The Queuing Book for the GTH opening auction process may be referred to as the "GTH Queuing Book," and the Queuing Book for the RTH opening auction process may be referred to as the "RTH Queuing Book. See Rule 5.31(a).

²³ See supra note 16.

Rule 5.31(j) to calculate the exercise or final settlement, as applicable, of expiring VIX derivatives shall still apply to those series on those dates. Therefore, SPX constituent option series will open pursuant to Rule 5.31(j) on exercise settlement value determination dates.

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.²⁴ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)²⁵ 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)²⁶ 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 forced opening process for simple orders in its exclusively listed option series will remove impediments to and perfect the mechanism of a free and open market and a national market system and protect investors.

²⁴ 15 U.S.C. 78f(b).

²⁵ 15 U.S.C. 78f(b)(5).

²⁶ Id.

The proposed rule change will provide for a series to open for trading on the Exchange sooner than it may automatically open currently. The Exchange believes the proposed rule change will benefit investors, because it may permit these options to open sooner and increase the times during which investors may conduct trading in these options, allowing participants to trade, hedge exposure, and exit positions in a timely manner. While the width of Market-Maker quotes on the Exchange (and thus the Composite Width) for an exclusively listed option series may be wider than the Maximum Composite Width²⁷ or, no Market-Maker quotes for an exclusively listed option series are present in the book (and thus there is no Composite Market for the series), the Exchange believes it is reasonable to open the series after a certain amount of time has passed. The Exchange further notes that it does not believe wide Market Maker quotes in and of itself is an adequate reason to delay the opening, as that may occur at any time during the trading day. The Exchange understands from customers they would prefer to be able to begin trading the Exchange's exclusively listed index options without undue delay, even in a wide market, in a timeframe more closely aligned with equities and ETP options²⁸ (there have been delays as long as ten to fifteen minutes after markets open). A delayed opening may leave participants unable to efficiently hedge, exit, and otherwise manage positions as needed, particularly because the value of the index may be changing given that the stocks comprising the index are open for trading. As a result, a delayed opening may create more investment risk for market participants than opening with a market comprised of wide or no Market-Maker

²⁷ The Exchange notes pursuant to Rule 5.31(e)(1)(B), there are currently instances in which the Exchange will open for trading despite the Composite Market Width being larger than the Maximum Composite Width.

²⁸ See Rule 5.31(e)(4).

quotes (which as noted above, is a market condition that may occur at any time). Additionally, the proposed ability of Users to cancel orders in the event of a forced opening will provide Users with additional protection.

As discussed above, the Exchange currently has the authority, when it deems necessary, to deviate from the standard opening process, including: (i) adjusting the timing of the opening rotation in any option class, (ii) modifying any time periods described in Rule 5.31, and (iii) compelling a series open, even if the Maximum Composite Width check is not satisfied, but these events may only happen manually if the Exchange determines it is necessary in the interests of a fair and orderly market.²⁹ The proposed rule change is consistent with the authority granted under Rule 5.31(h). Furthermore, this proposed rule change creates an automated compelled opening in certain circumstances by not needing to rely on the manual process of increasing the Maximum Composite Width that may currently be used under the definition of Maximum Composite Width under Rule 5.31(a), with the exception that a series may be forced open under this proposed rule even if no Composite Market exists, so long as there are no non-M Capacity orders crossed. This will benefit investors by providing additional transparency to the Rules regarding when a series may open despite not satisfying the Maximum Composite Width check as well as remove impediments to and perfect the mechanism of a free and open market and a national market system by automating an otherwise manual process. Furthermore, the Exchange believes it is in the best interest of investors to allow an exclusively listed option series to open even if there is no Composite Market, so long as no non-M Capacity orders are crossed, as there may be liquidity on the floor from Market Makers. This continues to protect customer

²⁹ See Rule 5.31(h).

orders from executing at the open at a potentially erroneous price given that the requirement that there be no non-M Capacity orders crossed. By allowing these markets to open in a timely manner, market participants would be able to have their orders filled and manage their existing positions earlier, thus reducing potential investment risk associated with further delaying the open.

Further, as discussed above, the Exchange believes it is in the best interest of market participants to allow the Exchange discretion to determine a different time period for its exclusively listed options that may be different from the time period for its equity and ETP options. As noted, there are differences that between these groups, notably, that exclusively listed options also trade in an open outcry market in addition to trading electronically (equity and ETP options are only traded electronically on the Exchange) and exclusively listed options may also trade during the GTH trading session. Further, under Rule 5.31(h), the Exchange already has the authority to adjust any time periods under Rule 5.31, which include the forced open timers, when it deems necessary for a fair and orderly market. The Exchange proposes to make this discretion clear within the proposed rule, where the Exchange may have different timers for (i) equity and ETP options and (ii) exclusively listed options.

Additionally, by establishing this process instead of manually increasing the Maximum Composite Width, the Exchange believes this provides greater transparency and clarity and better sets out expectations for participants. The Exchange notes that it still maintains its existing authority under Rule 5.31(h) to deviate from the standard manner of the opening auction process. The Exchange does not think that not having an ABBO (as none exists for exclusively listed options) is of note, as the Exchange manually forces an

open now by increasing the Maximum Composite Width and an ABBO is not required under that procedure. Of further note, the ABBO is not a requirement for the standard opening process for any option classes, including equity and ETP option classes. Specifically, if no away markets are open inequity or ETP options, there would be no ABBO for that series and thus the Composite Market for the series (and thus whether the series would open) would be based solely on the Exchange's market for the series. Further, if the ABBO is wider than the Exchange's market for a series, the ABBO is also not a factor into whether the System opened the series. In those cases, whether an equity or ETF option series satisfied the Maximum Composite Width check would be based solely on the Exchange's market.

Further, as previously discussed, the Exchange believes it furthers its goal of conducting fair and orderly markets by forcing its exclusively listed options to open if there is no Composite Market. In the event there is no Composite Market from there being no on-screen two-sided market from Market Maker bids and offers, and there are no non-M Capacity orders that are crossed, the Exchange believes it is in the benefit of the market to move forward with opening, so customers may commence trading. As described above, there may be liquidity on the floor from Market Makers and the Exchange understands from market participants they would rather commence trading to manage their positions even if there are wide, or no, Market-Maker quotes on the book.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe that the proposed rule change will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of

the purposes of the Act because all Users may trade in any exclusively listed option series that opens subject to the proposed forced opening process. The proposed forced opening process for exclusively listed option series is also substantially similar to the current forced opening process for equity and ETP option series, with the exception that, (i) there is no ABBO for exclusively listed option series, and thus, is not a step in the forced opening process for the exclusively listed option series; (ii) exclusively listed options shall also require that there are no non-M Capacity orders crossed; and (iii) a Composite Market is not required for exclusively listed options, as described above. Additionally, all Users will have the opportunity to instruct the System to cancel its market orders or all open orders in the event of a forced or otherwise manual opening. Cancellation of some or all of a User's orders in the event of such an opening would be voluntary and completely within the User's discretion.

The Exchange does not believe that 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 the proposed rule change updates the opening process for exclusively listed options that may trade only on the Exchange. As discussed above, the proposed rule change will allow participants to begin trading, hedging exposure, and exiting positions in exclusively listed options in a timely manner, consistent with the timing and process the Exchange currently uses for equity and ETP options. The proposed flexibility for Users to instruct the System how to handle their orders in the event of a forced or manual opening applies only to how a User's orders on the Exchange will be handled in such a circumstance.

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

Because the foregoing proposed rule change does not:

- A. significantly affect the protection of investors or the public interest;
- B. impose any significant burden on competition; and
- C. become operative for 30 days from the date on which it was filed, or such

shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act³⁰ and Rule 19b-4(f)(6)³¹ 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:

³⁰ 15 U.S.C. 78s(b)(3)(A).

³¹ 17 CFR 240.19b-4(f)(6).

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-2025-047 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-2025-047. 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-2025-047 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.³²

Sherry R. Haywood,

Assistant Secretary.

³² 17 CFR 200.30-3(a)(12).

EXHIBIT 5

(additions are underlined; deletions are [bracketed])

* * * * *

Rules of Cboe Exchange, Inc.

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Rule 5.31. Opening Auction Process

* * * * *

(e) Opening Rotation. After the System initiates the opening rotation for a series pursuant to paragraph (d) above, the System conducts the opening rotation as follows.

* * * * *

(4) *Forced Opening*. If a series [in an equity or ETP option class] is unable to open because it does not satisfy the Maximum Composite Width Check in subparagraph (1) above within a time period (which the Exchange determines for all classes, but may determine one time period for all equity or ETP option classes and one time period for all exclusively listed index options, which may not be the same time period) after occurrence of the opening rotation trigger for the class pursuant to paragraph (d)[, and] the System forces the series to open after that time period if:

(A) for equity and ETP option classes, (i) the Composite Market is not crossed and (ii) upon the System's observation of an ABBO (with a non-zero offer) for the series; or

(B) for exclusively listed options, (i) the Composite Market is not crossed and no non-M Capacity orders are crossed or (ii) there is no Composite Market and there are no non-M Capacity orders that are crossed[, the System forces the series to open after that time period upon the System's observation of an ABBO (with a non-zero offer) for the series].

This forced opening process shall not apply to the opening of SPX constituent option series on exercise settlement value determination days.

([A]C) The opening trade price determination and series opening set forth in subparagraphs (2) and (3) above do not occur; instead, the System opens the series without a trade.

([B]D) However, if a series satisfies the Maximum Composite Width Check prior to the end of the time period and, with respect to equity and ETP option classes, prior to the System's observation of an ABBO for the series, the series opens pursuant to subparagraphs (2) and (3) above.

* * * * *

(j) *Modified Opening Auction Process*. All provisions set forth above in this Rule 5.31 apply to the opening of SPX constituent option series for Regular Trading Hours on exercise settlement value determination days, except as otherwise provided in this paragraph (j) and paragraph (e)(4) (“modified opening auction process”). The Exchange uses the opening trade prices of SPX series that comprise the settlement strip (or the average of a series’ opening bid and ask (which ask price equals \$0.05 if the series opens with unexecuted sell market orders) if there is no opening trade in that series) established by the modified opening auction process to calculate the exercise or final settlement value, as applicable, of expiring VIX derivatives.

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