

Required fields are shown with yellow backgrounds and asterisks.

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) *
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			Rule		
Pilot	Extension of Time Period for Commission Action *	Date Expires *	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>	<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input type="checkbox"/> 19b-4(f)(6)	

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 806(e)(1) *	Section 806(e)(2) *
<input type="checkbox"/>	<input type="checkbox"/>
	Section 3C(b)(2) *
	<input type="checkbox"/>

Exhibit 2 Sent As Paper Document	Exhibit 3 Sent As Paper Document
<input type="checkbox"/>	<input type="checkbox"/>

**Description**

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

**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 \*  Last Name \*   
Title \*   
E-mail \*   
Telephone \*  Fax

**Signature**

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

(Title \*)

Date    
By    
(Name \*)

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

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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

**Form 19b-4 Information \***

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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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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 Advance 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, security-based swap submission, or advance notice 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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Exhibit Sent As Paper Document

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 3 - Form, Report, or Questionnaire**

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Exhibit Sent As Paper Document

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 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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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.

PARTIAL AMENDMENT

Cboe Exchange, Inc. (“Cboe Options” or the “Exchange”) submits this Amendment, constituting Amendment No. 2, to rule filing SR-CBOE-2020-050 (the “Rule Filing”), as amended by Amendment No. 1, in which the Exchange proposes to amend proposes to amend Rules 5.37 and 5.73.

First, Amendment No. 2 adds the following sentence before the last full sentence on page 6 of the Form 19b-4 and before the last full sentence on page 23 of Exhibit 1 of Amendment No. 1:

Currently, there are 28 TPHs with SPX appointments, which represent a significant pool of SPX liquidity that would be available to participate in AIM Auctions through both contra orders and auction responses.

Second, Amendment No. 2 adds “in SPX” after “is activated” in the last full sentence on page 11 of the Form 19b-4 and page 28 of Exhibit 1 of Amendment No. 1.

Third, Amendment No. 2 deletes in its entirety and replaces with the following sentence the last sentence of the first full paragraph on pages 12 and 18 of the Form 19b-4 and page 29 of Exhibit 1 of Amendment No. 1:

The Exchange notes the electronic crossing price improvement auctions of other options exchanges currently permit orders for the accounts of appointed market-makers to be solicited as the contra orders for those auctions.<sup>1</sup>

Fourth, Amendment No. 2 replaces the word “he” with “the” in the first sentence on the carryover paragraph on pages 12 – 13 of the Form 19b-4 and pages 29 – 30 of Exhibit 1 of Amendment No. 1.

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<sup>1</sup> See NYSE American, Inc. (“American”) Rule 971.1NY; and BOX Exchange LLC (“BOX”) Rule 7150(b).

Fifth, Amendment No. 2 adds the following paragraphs after the carryover paragraph on pages 12 – 13 of the Form 19b-4 and pages 29 – 30 of Exhibit 1 of Amendment No. 1:

The Exchange believes the proposed rule change will promote competition in SPX AIM Auctions, including competition to initiate SPX AIM Auctions, which will remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors. As noted above, there are 28 TPHs with SPX appointments. The Exchange believes the availability of this liquidity available to Agency Orders will positively affect the experience for Agency Orders and overall quality of the auctions. Furthermore, the Exchange believes increasing the number of market participants available to be solicited may increase competition to provide Initiating Orders, which may lead to an AIM Auction being initiated at a better price. More market participants competing to provide Initiating Orders may lead to solicited parties providing more aggressive initial prices. The Exchange believes the ability of all market participants, including appointed Market-Makers that did not submit an Initiating Order, to submit responses to an AIM Auction will continue to provide competition for executions against Agency Orders. During April and May, over 31% of SPX Agency Order contracts executed in AIM Auctions executed against responses from market participants, including customers, broker-dealers, market-makers, and professional customers (over 99% of those responses were submitted by appointed Market-Makers).

The Exchange does not believe the proposed rule change will adversely impact the quoting behavior of SPX Market-Makers. As noted above, the Exchange intends to activate AIM for SPX with a maximum size. Therefore, all SPX orders for a number of contracts larger than that maximum will continue to execute as they do today, including against resting orders and quotes in the Book. The Exchange believes Market-Makers will, therefore, continue to have an incentive to quote aggressively to participate in the majority of SPX volume, which is comprised of larger-sized orders. The Exchange also notes that it intends to designate SPX as eligible for Priority Order status,<sup>2</sup> orders and quotes at the NBBO at the beginning of the auction will get priority over other interest. As a result, Market-Makers will receive a benefit in the auction allocation if they quote aggressively, which the Exchange believes will further incentives Market-Makers to continue to quote aggressively to participate in the auctions.

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<sup>2</sup> See Rule 5.37(e) (pursuant to which Priority Orders have priority over other contra-side trading interest at each price level except for Priority Customers and the Initiating Order). Pursuant to Priority Order status, Users with displayed resting quotes and orders that were at a price equal to the Initial NBBO on the opposite side of the market from the Agency Order (“Priority Orders”) have priority up to their size in the Initial NBBO at each price level at or better than the Initial NBBO (after Priority Customers and the Initiating TPH have received allocations).

The Exchange believes any risk that appointed Market-Makers may misuse the nonpublic information of an upcoming SPX AIM Auction is de minimis. Currently, that same risk is present for non-appointed Market-Makers, but the Exchange has not observed any trends of solicited market participants separately submitting unrelated orders as a result of knowledge of impending AIM Auctions in other classes. The Exchange notes Rule 5.37, Interpretation and Policy .02 prohibits a pattern or practice of submitting orders or quotes for the purpose of disrupting or manipulating AIM Auctions, and Rule 8.10 requires TPHs to establish, maintain, and enforce written policies and procedures reasonably designed to prevent the misuse of material, nonpublic information by TPHs and their associated persons.

Finally, the proposed rule change deletes in its entirety and replaces with the following sentence the second sentence in Item 8 on page 21 of the Form 19b-4:

However, the Exchange notes American Rule 971.1NY and BOX Rule 7150(b) each permit orders for the account of any market participant (included an appointed market-maker) other than customers be solicited as the contra orders for CUBE Auctions and PIP Auctions, respectively, which are electronic price improvement crossing auctions substantially similar to AIM.

The Exchange requests accelerated approval of Amendment No. 2. The Exchange proposes no changes to substance or the framework of the proposed rule change. The proposed rule change corrects a typographical error and adds some clarifying language. Additionally, the proposed rule change adds discussion to support the rule change, including the fact that the proposed rule change is substantially similar to the rules of two other options exchanges rather than one. Therefore, the Exchange does not believe a full notice and comment period is necessary, and thus believes accelerated approval is appropriate.