

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of \* 11 SECURITIES AND EXCHANGE COMMISSION File No.\* SR - 2020 - \* 051  
WASHINGTON, D.C. 20549  
Form 19b-4 Amendment No. (req. for Amendments \*) 2

Filing by Cboe Exchange, Inc.  
 Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

<b>Initial *</b>	<b>Amendment *</b>	<b>Withdrawal</b>	<b>Section 19(b)(2) *</b>	<b>Section 19(b)(3)(A) *</b>	<b>Section 19(b)(3)(B) *</b>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			Rule		
<b>Pilot</b>	<b>Extension of Time Period for Commission Action *</b>	<b>Date Expires *</b>	<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)	

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

**Exhibit 2 Sent As Paper Document**

**Exhibit 3 Sent As Paper Document**

**Description**

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

**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 \*** Rebecca **Last Name \*** Tenuta

**Title \*** Counsel

**E-mail \*** [REDACTED]

**Telephone \*** [REDACTED] **Fax** [REDACTED]

**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** 12/11/2020 **VP, Associate General Counsel**

**By** Laura G. Dickman [REDACTED]

(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 EFFF website.

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

Add Remove View

The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

**Exhibit 1 - Notice of Proposed Rule Change \***

Add Remove View

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 \***

Add Remove View

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change, 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**

Add Remove View

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit Sent As Paper Document

**Exhibit 3 - Form, Report, or Questionnaire**

Add Remove View

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit Sent As Paper Document

**Exhibit 4 - Marked Copies**

Add Remove View

The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

**Exhibit 5 - Proposed Rule Text**

Add Remove View

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

**Partial Amendment**

Add Remove View

If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

PARTIAL AMENDMENT

Cboe Exchange, Inc. (“Cboe Options” or the “Exchange”) submits this Amendment, constituting Amendment No. 2, to rule filing SR-CBOE-2020-051 (the “Rule Filing”), as amended by Amendment No. 1, in which the Exchange proposes to adopt a maximum size of 10 contracts for Agency Orders in SPX submitted into the Automated Price Improvement Mechanism (“AIM” or “AIM Auction”) and the Complex Automated Price Improvement Mechanism (“C-AIM” or “C-AIM Auction”).

On July 22, 2020, the Exchange submitted Amendment No. 1 to the Rule Filing, which adopted a maximum size of 10 contracts for Agency Orders in SPX submitted through AIM and C-AIM. Amendment No. 1, however, inadvertently removed proposed rule language in Rule 5.37(a)(3) and Rule 5.38(a)(3) that would permit the Exchange to determine to implement a maximum size requirement for Agency Orders in SPX. Amendment No. 2 again adds language to Rule 5.37(a)(3) and Rule 5.38(a)(3) in Exhibit 5 that would permit the Exchange to determine, per trading session (e.g., Regular Trading Hours (“RTH”) or Global Trading Hours (“GTH”)), that the maximum size requirement of 10 contracts applies to Agency Orders in SPX submitted into AIM and C-AIM. Pursuant to Rule 1.5, to the extent the Rules allow the Exchange to make a determination, including on a class-by-class basis, the Exchange may make a determination for GTH that differs from the determination it makes for RTH. This flexibility allows the Exchange to address the different trading characteristics between RTH and GTH, such as lower trading levels, reduced liquidity, fewer participants, higher volatility and changing prices.<sup>1</sup> Specifically,

---

<sup>1</sup> See Rule 9.20, which requires Trading Permit Holders to give Global Trading Hour Disclosures to their customers that wish to participate in GTH for these same reasons.

Rule 5.37 and Rule 5.38 permit the Exchange to designate classes eligible for AIM and C-AIM auctions, respectively, and, pursuant to its authority under Rule 1.5, the Exchange has historically activated AIM and C-AIM in SPX during GTH, but has not historically activated AIM and C-AIM in SPX during RTH. The Rule Filing (as amended) states that the Exchange has not historically activated AIM and C-AIM for SPX while the trading floor is open and that the purpose of the Rule Filing (as amended) is to apply an Agency Order size ceiling of 10 contracts in order to provide more price opportunities geared towards retail customers when the Exchange activates AIM and C-AIM in SPX. Given that AIM and C-AIM have been activated in SPX during GTH since 2014, it is inherent in the Rule Filing (as amended) that the proposed maximum size requirement for Agency Orders in SPX was intended to apply during RTH. As such, Amendment No. 2 merely adds to Rule 5.37(a)(3) and Rule 5.38(a)(3) in the Exhibit 5 that the Exchange may determine, per trading session (e.g., RTH or GTH), that the maximum size for all Agency Orders (applicable to the smallest leg in C-AIM) in SPX is 10 contracts, as was intended but inadvertently removed by Amendment No. 1. Therefore, Amendment No. 2 permits the Exchange to implement the maximum size requirement in AIM for SPX during RTH as intended and not apply a maximum size requirement in AIM for SPX during GTH, as is the case today. The markets during RTH and GTH are very different, and the Exchange regularly applies different trading rules and parameters during each session (as evidenced by Rule 1.5, which permits the Exchange to make different determinations during each trading sessions). For example, the Exchange makes AIM and C-AIM available in GTH but not RTH due to the differences in the trading sessions. Amendment No. 2 is consistent with the Exchange Rules that reflect the need to have flexibility to respond to the differences between the trading sessions.

Additionally, Amendment No. 2 proposes to make the following updates:

- Updates the sentence at the top of page 4 of the Form 19b-4 and page 23 of the Exhibit 1 to state that “The Exchange proposes to amend Rule 5.37(a)(3) and Rule 5.38(a)(8) to allow the Exchange to determine, per trading session (e.g., RTH or GTH), to adopt a maximum size of 10 contracts for Agency Orders in SPX submitted through the Automated Price Improvement Mechanism (“AIM” or “AIM Auction”) and the Complex Automated Price Improvement Mechanism (“C-AIM” or “C-AIM Auction”)
- Updates the sentence at the bottom of page 4 of the Form 19b-4 and page 24 of the Exhibit 1 to state that “The Exchange now proposes to amend Rule 5.37(a)(3) to provide that the Exchange may determine, per trading session (e.g., RTH or GTH), that the maximum size for all Agency Orders in SPX is 10 contracts, and by amending Rule 5.38(a)(3) to provide that the maximum size for the smallest leg of all Agency Orders in SPX is 10 contracts.” Amendment No. 2 also appends a footnote to this statement which provides that “Pursuant to Rule 1.5, the Exchange may, to the extent the Rules allow the Exchange to make a determination, including on a class-by-class basis, make a determination for GTH that differs from the determination it makes for RTH. The Exchange notes that it has historically activated AIM and C-AIM for SPX during GTH and its historical determination not to activate AIM and C-AIM in SPX

applies to RTH. Therefore, the proposed rule change will allow the Exchange to determine to adopt a maximum size for Agency Orders in SPX submitted through AIM and C-AIM during RTH but not GTH. Additionally, it will allow the Exchange to determine not to adopt the maximum size for Agency Orders in SPX during RTH and GTH, if it believes such a determination would be appropriate in the future. Therefore, the Exchange's discretion with respect to maximum size for Agency Orders in SPX is limited to establishing a maximum size of 10 contracts, or determining not to establish any maximum size, during RTH or GTH. The Exchange will announce any determination it makes in connection with the application of the 10-contract Agency Order size requirement to a trading session via Exchange notice pursuant to Rule 1.5. The Exchange intends to establish a maximum size requirement of 10 contracts during RTH and not impose any max size requirement for SPX during GTH."

The Exchange requests accelerated approval of Amendment No. 2. The Exchange proposes no changes to substance or the framework of the proposed maximum quantity for Agency Orders in SPX. Amendment No. 2 merely adds language to explicitly state what is inherent in the Rule Filing (as amended), which is that the Exchange intended to have the ability to apply a maximum size requirement for Agency Orders for SPX if the Exchange were to activate AIM and C-AIM in SPX during RTH, as it has not historically done so. Therefore, the

Exchange does not believe a full notice and comment period is necessary, and thus believes accelerated approval is appropriate.

EXHIBITS

Exhibit 4. Marked copy of changes to the rule text proposed in an amendment compared against the version of the rule text that was initially filed.

Exhibit 5. Proposed rule text.

## EXHIBIT 4

Additions set forth in the proposed rule text of SR-CBOE-2020-051, as amended by Amendment No. 1, are underlined. Additions being made pursuant to Amendment No. 2 to SR-CBOE-2020-051 are double underlined.

\*\*\*\*\*

## Rules of Cboe Exchange, Inc.

\*\*\*\*\*

**Rule 5.37. Automated Improvement Mechanism (“AIM” or “AIM Auction”)**

A Trading Permit Holder (the “Initiating TPH”) may electronically submit for execution an order it represents as agent (“Agency Order”) against principal interest or a solicited order(s) (except for an order for the account of any Market-Maker with an appointment in the applicable class on the Exchange) (an “Initiating Order”) provided it submits the Agency Order for electronic execution into an AIM Auction pursuant to this Rule. For purposes of this Rule, the term “NBBO” means the national best bid or national best offer at the particular point in time applicable to the reference, and the term “Initial NBBO” means the national best bid or national best offer at the time an Auction is initiated. Bulk messages are not eligible for AIM.

(a) *AIM Auction Eligibility Requirements.* The Initiating TPH may initiate an AIM Auction if all of the following conditions are met:

(1)-(2) No change.

(3) *Size.* There is no minimum size for Agency Orders. The Exchange may determine, per trading session (e.g., RTH or GTH), that the maximum size for all Agency Orders in SPX is 10 contracts. The Initiating Order must be for the same size as the Agency Order.

\*\*\*\*\*

***Interpretations and Policies***

.01 No change.

.02 A pattern or practice of submitting orders or quotes for the purpose of disrupting or manipulating AIM Auctions, including to cause an Auction to conclude before the end of the Auction period, will be deemed conduct inconsistent with just and equitable principles of trade and a violation of Rule 8.1. It will also be deemed conduct inconsistent with just and equitable principles of trade and a violation of Rule 8.1 to engage in a pattern of conduct where the Initiating TPH breaks up an Agency Order into separate orders for the purpose of gaining a higher allocation percentage than the Initiating TPH would have otherwise received in accordance with the allocation procedures contained in

paragraph (e) above or for the purpose of circumventing the maximum quantity requirement pursuant to subparagraph (a)(3) above.

\* \* \* \* \*

**Rule 5.38. Complex Automated Improvement Mechanism (“C-AIM” or “C-AIM Auction”)**

A Trading Permit Holder (the “Initiating TPH”) may electronically submit for execution a complex order it represents as agent (“Agency Order”) against principal interest or a solicited complex order(s) (an “Initiating Order”) provided it submits the Agency Order for electronic execution into a C-AIM Auction pursuant to this Rule. For purposes of this Rule, the term “SBBO” means the synthetic best bid or offer on the Exchange at the particular point in time applicable to the reference.

(a) *C-AIM Auction Eligibility Requirements.* The Initiating TPH may initiate a C-AIM Auction if all of the following conditions are met:

(1)-(2) No change.

(3) *Size.* There is no minimum size for Agency Orders. The Exchange may determine, per trading session (e.g., RTH or GTH), that the maximum size for the smallest leg of all Agency Orders in SPX is 10 contracts. The Initiating Order must be for the same size as the Agency Order.

\* \* \* \* \*

***Interpretations and Policies***

.01 No change.

.02 A pattern or practice of submitting orders or quotes for the purpose of disrupting or manipulating C-AIM Auctions, including to cause a C-AIM Auction to conclude before the end of the C-AIM Auction period, will be deemed conduct inconsistent with just and equitable principles of trade and a violation of Rule 8.1. It will also be deemed conduct inconsistent with just and equitable principles of trade and a violation of Rule 8.1 to engage in a pattern of conduct where the Initiating TPH breaks up an Agency Order into separate orders for the purpose of gaining a higher allocation percentage than the Initiating TPH would have otherwise received in accordance with the allocation procedures contained in paragraph (e) above or for the purpose of circumventing the maximum quantity requirement pursuant to subparagraph (a)(3) above.

\* \* \* \* \*

## EXHIBIT 5

(additions are underlined)

\* \* \* \* \*

Rules of Cboe Exchange, Inc.

\* \* \* \* \*

**Rule 5.37. Automated Improvement Mechanism (“AIM” or “AIM Auction”)**

A Trading Permit Holder (the “Initiating TPH”) may electronically submit for execution an order it represents as agent (“Agency Order”) against principal interest or a solicited order(s) (except for an order for the account of any Market-Maker with an appointment in the applicable class on the Exchange) (an “Initiating Order”) provided it submits the Agency Order for electronic execution into an AIM Auction pursuant to this Rule. For purposes of this Rule, the term “NBBO” means the national best bid or national best offer at the particular point in time applicable to the reference, and the term “Initial NBBO” means the national best bid or national best offer at the time an Auction is initiated. Bulk messages are not eligible for AIM.

(a) *AIM Auction Eligibility Requirements.* The Initiating TPH may initiate an AIM Auction if all of the following conditions are met:

(1)-(2) No change.

(3) *Size.* There is no minimum size for Agency Orders. The Exchange may determine, per trading session (e.g., RTH or GTH), that the maximum size for all Agency Orders in SPX is 10 contracts. The Initiating Order must be for the same size as the Agency Order.

\* \* \* \* \*

***Interpretations and Policies***

.01 No change.

.02 A pattern or practice of submitting orders or quotes for the purpose of disrupting or manipulating AIM Auctions, including to cause an Auction to conclude before the end of the Auction period, will be deemed conduct inconsistent with just and equitable principles of trade and a violation of Rule 8.1. It will also be deemed conduct inconsistent with just and equitable principles of trade and a violation of Rule 8.1 to engage in a pattern of conduct where the Initiating TPH breaks up an Agency Order into separate orders for the purpose of gaining a higher allocation percentage than the Initiating TPH would have otherwise received in accordance with the allocation procedures contained in paragraph (e) above or for the purpose of circumventing the maximum quantity requirement pursuant to subparagraph (a)(3) above.

\* \* \* \* \*

**Rule 5.38. Complex Automated Improvement Mechanism (“C-AIM” or “C-AIM Auction”)**

A Trading Permit Holder (the “Initiating TPH”) may electronically submit for execution a complex order it represents as agent (“Agency Order”) against principal interest or a solicited complex order(s) (an “Initiating Order”) provided it submits the Agency Order for electronic execution into a C-AIM Auction pursuant to this Rule. For purposes of this Rule, the term “SBBO” means the synthetic best bid or offer on the Exchange at the particular point in time applicable to the reference.

(a) *C-AIM Auction Eligibility Requirements.* The Initiating TPH may initiate a C-AIM Auction if all of the following conditions are met:

(1)-(2) No change.

(3) *Size.* There is no minimum size for Agency Orders. The Exchange may determine, per trading session (e.g., RTH or GTH), that the maximum size for the smallest leg of all Agency Orders in SPX is 10 contracts. The Initiating Order must be for the same size as the Agency Order.

\* \* \* \* \*

***Interpretations and Policies***

.01 No change.

.02 A pattern or practice of submitting orders or quotes for the purpose of disrupting or manipulating C-AIM Auctions, including to cause a C-AIM Auction to conclude before the end of the C-AIM Auction period, will be deemed conduct inconsistent with just and equitable principles of trade and a violation of Rule 8.1. It will also be deemed conduct inconsistent with just and equitable principles of trade and a violation of Rule 8.1 to engage in a pattern of conduct where the Initiating TPH breaks up an Agency Order into separate orders for the purpose of gaining a higher allocation percentage than the Initiating TPH would have otherwise received in accordance with the allocation procedures contained in paragraph (e) above or for the purpose of circumventing the maximum quantity requirement pursuant to subparagraph (a)(3) above.

\* \* \* \* \*