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

File No.* SR - 2020 - * 060

Amendment No. (req. for Amendments *) 1

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) *
☐	☑	☐	☑	☐	☐

Rule

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

Pilot ☐

Extension of Time Period for Commission Action * ☐

Date Expires *

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

Section 806(e)(1) * ☐

Section 806(e)(2) * ☐

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934

Section 3C(b)(2) * ☐

Exhibit 2 Sent As Paper Document ☐

Exhibit 3 Sent As Paper Document ☐

Description

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

Contact Information

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

First Name *	Laura
Last Name *	Dickman
Title *	VP, Associate General Counsel
E-mail *	ldickman@cboe.com
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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.

Date 08/13/2020

By Laura G. Dickman

(Name *)

(Title *) VP, Associate General Counsel

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.

ldickman@cboe.com

Required fields are shown with yellow backgrounds and asterisks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information * Add Remove View	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 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 Add Remove View 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 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. 1, to rule filing SR-CBOE-2020-060 (the "Rule Filing"), in which the Exchange proposes to adopt Related Futures Cross ("RFC") Orders.

First, Amendment No. 1 makes the following nonsubstantive changes to Exhibit 5:

- deletes the closing bracket and period from the end of Rule 5.24(e)(1)(C);
- deletes the opening bracket before Rule 5.24(e)(1)(D);
- inserts a closing bracket before the semi-colon at the end of Rule 5.24(e)(1)(D)(7), and deletes the closing bracket following the "and" at the end of Rule 5.24(e)(1)(D)(7);
- proposes to change current Rule 5.24(e)(1)(E) to Rule 5.24(e)(1)(D), and includes the introductory paragraph (with no other proposed changes) of that subparagraph in the Exhibit; and
- adds the current definition of a "Post Only" order in Rule 5.33(b) (with no proposed changes) to demonstrate where in that paragraph the proposed definition of an RFC order will be located.

Second, Amendment No. 1 deletes in its entirety the last paragraph of Item 3(b) of the Form 19b-4 and Exhibit 1 and replaces it with the following:

> The Exchange also believes the proposed rule change is consistent with the Act, because the proposed procedure is consistent with transactions that are otherwise permitted on the trading floor. The proposed rule change merely provides an electronic mechanism that replicates a procedure that is currently available to market participants only on the trading floor and enhances the open outcry procedure. The proposed rule change will protect Priority Customer orders and orders on top of the book that comprise the BBO, as well as Priority Customer orders on the top of the COB. Additionally, the proposed rule change requires RFC orders to execute in the same increments as all other complex orders. While orders are currently required to be exposed on the trading floor, the Exchange has observed

that market participants generally defer their allocations to permit a clean cross, as that is necessary for these transactions to achieve their intended effect and not leave market participants with unhedged positions (and thus more risk).

Because option orders that are part of exchanges for futures positions that are exposed on the trading floor are generally not broken up, and because the purpose of these trades is unrelated to profits and losses (making the price at which the transaction is executed relatively unimportant like competitive trades), the Exchange believes it is appropriate to not require exposure of these orders in an electronic or open outcry setting. As noted above, during the time the Exchange's trading floor was closed, the Exchange made RFC orders available to TPHs for immediate (and thus unexposed) electronic execution. The Exchange received feedback from several TPHs regarding the increased efficiency provided by electronic RFC orders, which feedback included requests to make RFC orders available when the trading floor reopened. The Exchange believes it is unlikely that TPHs on the trading floor would seek to break up the execution of RFC orders in the future, as several TPHs engage in exchange for futures positions in order to swap futures positions for synthetic futures positions in order to maintain a hedged portfolio and would similarly expect to be able to execute their RFC orders without other TPHs breaking them up. The Exchange understands this type of mutual understanding among TPHs contributes to smoother operations on the trading floor.

Even if TPHs decided to attempt to break up these orders in the future, the Exchange believes the benefits of permitting RFC orders to execute as clean crosses greatly outweigh any benefits that may result from exposing these orders for potential break up. The Exchange notes that the benefits of requiring a broker to expose an order on the trading floor generally flow to that order, which include the potential of price improvement for the order and to locate liquidity against which to execute the order. In the case of an RFC order, the representing broker has already located the necessary liquidity to execute the order, as that is necessary given the nature of these transactions. If TPHs believed it there was reasonably possible that other TPHs in the trading crowd would break up RFC orders, those TPHs would not attempt to execute those orders on the trading floor (and thus there would be no orders for other TPHs to break up). If an electronic RFC order that immediately executes without exposure were available (as it is for MIAX), then TPHs would merely submit RFC orders for electronic execution. Permitting open outcry RFC orders will permit TPHs to cross these orders using the same tools they use to current execute those orders.

It is critical to the ongoing stability of the options markets that TPHs are able to maintain hedged portfolios in order to manage their risk exposure. It is also critical that TPHs are able to efficiently manage capital and margin requirements so that they continuously have sufficient capital available to provide to the markets, which benefits all market participants, including those that may seek to break up RFC orders. As all TPHs are subject to capital and margin requirements, the Exchange believes all TPHs on the trading floor understand and respect the need of other TPHs to manage these requirements as efficiently as possible. The Exchange

> believes the proposed rule change, which is limited to two classes the Exchange believes are being significantly impacted by regulatory capital requirements, and to option orders that qualify as combos tied to related futures positions, is narrowly tailored for the specific purpose of facilitating the ability of liquidity providers to reduce positions requiring significant carrying costs as a result of capital requirements.
>
> The Exchange believes the proposed rule change, which is limited to two classes the Exchange believes are being significantly impacted by the inability to execute these crosses, and to option orders that qualify as combos tied to related futures positions, is narrowly tailored for the specific purpose of facilitating the ability of liquidity providers to reduce positions requiring significant capital as a result of current bank regulatory capital requirements. The Exchange believes the proposed rule change will provide TPHs with a more seamless execution of exchanges of futures positions (and mirrors the related futures portion of the exchanges) and thus facilitate a more efficient way for liquidity providers to manage their capital requirements, which will protect investors by contributing to the continued depth of liquidity in the SPX and VIX options market.

Third, Amendment No. 1 adds the following sentence to the end of the paragraph in Item 4 of the Form 19b-4 and Exhibit 1:

> Additionally, another exchange offers RFC orders for a product listed on that exchange.[1]

Fourth, Amendment No. 1 deletes the paragraphs in Item 7(d) of the Form 19b-4 in its entirety and replaces it with the following:

> The proposed rule change is filed for accelerated effectiveness pursuant to Section 19(b)(2) of the Act.[2] The Exchange requests that the Commission approve the proposed rule change on an accelerated basis pursuant to Section 19(b)(2) of the Act so that it may be operative as soon as practicable. The Exchange believes the proposed rule change will protect investors and the public interest because it will provide liquidity providers and other market participants with an enhanced ability and flexibility to exchange SPX and VIX options positions with corresponding futures positions electronically in a substantially similar manner as they are able to do on the trading floor. These exchanges allow market participants to reduce options positions in their hedged portfolios while maintain the same risk exposure, which would reduce the necessary capital associated with those positions and permit them to provide more liquidity in the market. This additional liquidity may result in tighter spreads and more

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1 See Miami International Securities Exchange, LLC ("MIAX") Rule 518, Interpretation and Policy .08 (RFC orders for SPIKES options).

2 15 U.S.C. 78s(b)(2).

execution opportunities, which benefits all investors, particularly in the current volatile markets.

The proposed rule change may mitigate the potentially negative effects of the bank capital requirements on liquidity in the VIX and SPX markets. As described above, current regulatory capital requirements could potentially impede efficient use of capital and undermine the critical liquidity role that Market-Makers and other liquidity providers play in the SPX and VIX options market by limiting the amount of capital CPTHs allocate to clearing member transactions. In turn, this could force Market-Makers to reduce the size of their quotes and result in reduced liquidity in the market. The Exchange believes that permitting TPHs to reduce options positions in SPX and VIX options that will permit them to maintain a hedged portfolio would likely contribute to the availability of liquidity in the SPX and VIX options market and help ensure that these markets retain their competitive balance, which benefits all investors by helping to ensure consistent continued depth of liquidity, particularly in volatile market conditions when liquidity is needed the most by investors.

The proposed rule change merely provides an electronic mechanism that replicates a procedure that is currently available to market participants only on the trading floor and enhances the open outcry procedure. While orders are currently required to be exposed on the trading floor, the Exchange has observed that market participants generally defer their allocations to permit a clean cross, as that is necessary for these transactions to achieve their intended effect and not leave market participants with unhedged positions (and thus more risk).

Because option orders that are part of exchanges for futures positions that are exposed on the trading floor are generally not broken up, and because the purpose of these trades is unrelated to profits and losses (making the price at which the transaction is executed relatively unimportant like competitive trades), the Exchange believes it is appropriate to not require exposure of these orders in an electronic or open outcry setting. As noted above, during the time the Exchange's trading floor was closed, the Exchange made RFC orders available to TPHs for immediate (and thus unexposed) electronic execution. The Exchange received feedback from several TPHs regarding the increased efficiency provided by electronic RFC orders, which feedback included requests to make RFC orders available when the trading floor reopened. The Exchange believes it is unlikely that TPHs on the trading floor would seek to break up the execution of RFC orders in the future, as several TPHs engage in exchange for futures positions in order to swap futures positions for synthetic futures positions in order to maintain a hedged portfolio and would similarly expect to be able to execute their RFC orders without other TPHs breaking them up. The Exchange understands this type of mutual understanding among TPHs contributes to smoother operations on the trading floor.

The proposed rule change does not present any novel or unique issues. The Commission recently approved a virtually identical order type for another exchange which was proposed for primarily the same purpose with respect to another product as the Exchange is proposing RFC order for VIX and SPX options.[3] That proposal was noticed for comment, and no public comments were submitted.[4] That options exchange offers the RFC order for an option product listed exclusively on that exchange, which markets that product as a competitor of VIX options, so the Exchange believes accelerated approval is necessary and appropriate for competitive purposes.

While the proposed rule change contemplates an open outcry version of the same order type, an open outcry RFC order will be subject to the same execution and priority requirements as an electronic RFC order, as well as the RFC order available on MIAX. The only difference between an open outcry and electronic RFC order is the manner in which the orders enter the Exchange's System. With respect to an electronic RFC order, a TPH may submit an RFC order to the System through its order entry management system, and the System processes the execution, confirming it satisfies the execution requirements. With respect to an open outcry RFC order, a market participant may submit an order to a Floor Broker's PAR workstation (which is an Exchange system), on which the Floor Broker reports the execution and which workstation confirms it satisfies the execution requirements. In other words, the only difference between electronic and open outcry RFC orders is how the RFC orders are input into the System. The Exchange believes offering both an electronic and open outcry version of an RFC order will provide TPHs with flexibility in how they execute these orders. Given that a significant portion of SPX and VIX volume occurs on the trading floor, the Exchange believes it is appropriate to make RFC orders available on the trading floor so that TPHs with predominantly trading floor presences may use RFC orders as TPHs with predominantly electronic trading presences may use them. Additionally, as noted above, TPHs are currently executing these exchanges on the trading floor, and an open outcry version of an RFC merely streamlines the process they currently use. An open outcry RFC order will minimize the impact on TPHs that currently execute these exchanges on the trading floor and that operate primarily on the trading floor.

Additionally, the proposed functionality is similar to that used in connection with qualified contingent cross orders ("QCCs"), which similarly execute upon entry without exposure.[5] The proposed rule change has similar price protections and increment restrictions as QCC orders, including the requirements that they may not execute at the same price (or may not have legs execute at the same price) as Priority Customer orders resting in the Simple Book or COB, as applicable. While QCC imposes a minimum size of 1,000 contracts, the proposed rule change imposes no minimum size for RFC orders. The purpose of RFC orders is significantly different

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3 See MIAX Rule 518, Interpretation and Policy .08.

4 See Securities Exchange Act Release No. 89213 (July 1, 2020), 85 FR 41077 (July 8, 2020) (SR-MIAX-2020-11).

5 See Rule 5.6(c) (definition of QCC). At least one other options exchange offers QCC functionality on its trading floor, so on-floor unexposed crosses are also not novel. See Nasdaq PHLX LLC Options 8, Section 30(e).

than the purpose of QCCs, as QCCs are attempting to cross any option order tied to a stock trade, which would otherwise be subject to price improvement and competition. Therefore, a minimum size was appropriate to minimize the number of orders that received the benefit of execution without exposure. While RFC orders will obtain the same benefit of nonexposure, the purpose of these orders is to execute riskless transactions for which the market participants are relatively indifferent to the execution price, which eliminates the need for price discovery through exposure. Additionally, the proposed rule change restricts the options that can be submitted as RFC orders to those in two classes that comprise combos. The Exchange believes these restrictions narrowly tailor the proposed rule change, making a minimum size unnecessary. The Exchange also wants to ensure market participants have sufficient flexibility to effect these riskless transactions. The Exchange notes it has implemented other rules intended to assist liquidity providers to free up capital to allow them to continue to provide liquidity to the markets, which have no associated minimum size requirement.[6]

Given the ongoing coronavirus pandemic, which recently contributed to historic levels of volatility and continues to contribute to market volatility, the Exchange accelerated approval will provide market participants, particularly liquidity providers, with a more seamless way to execute these risk-reducing exchanges as soon as possible. This will permit these market participants to continue to provide liquidity to the VIX and SPX markets, which will benefit all market participants. As noted above, the electronic availability of RFC orders while the trading floor was open helped market participants free up significant capital which they could then use to add liquidity to the market during volatile times, when the market needed that liquidity the most.

Finally, Amendment No. 1 deletes in its entirety the sentence from Item 8 of the Form 19b-4 and replaces it with the following:

The proposed electronic RFC order is virtually identical to MIAX Rule 518, Interpretation and Policy .08, which the Commission recently approved, as noted above. As MIAX does not have a trading floor, its rule does not contemplate and open outcry RFC order. However, as discussed above, the proposed open outcry RFC order merely changes how the order is input for execution but has no impact on the actual execution – both open outcry and electronic RFC orders will be subject to the same execution and priority requirements as an electronic RFC order and are different only in the manner in which it enters the System, providing TPHs with flexibility with respect to how they enter these orders.

The Exchange notes that, despite the applicability of RFC orders to different products, the Exchange proposes to adopt RFC orders for VIX and SPX options for substantively the same purpose as MIAX proposed RFC orders for SPIKES options. Specifically, as discussed above, the primary purpose of RFC orders is to provide

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6 See, e.g., Rules 5.88 (describing compression forums for SPX options) and 6.8 (describing permissible off-floor risk-weighted asset transfers).

TPHs with a more efficient mechanism to effect the options portions of exchanges for related futures positions in, which allow TPHs to swap options positions with futures positions to maintain the same risk exposure in their portfolios while reducing capital required for their portfolios. Similarly, MIAX proposed RFC orders for SPIKES options to "provide market participants with the ability to exchange a corresponding futures position with a SPIKES options position [and vice versa] . . . to allow market participants to reduce the basis risk of, or better manage capital requirements, in their hedged portfolios while maintaining the same risk exposure."[7]

Both the Exchange, as noted above, and MIAX recognize the benefit of permitting RFC orders to execute as clean cross, which is to ensure that both sides of the transactions are executed in their entirety against the same market participants and neither are left with unhedged positions (and thus added risk) in their portfolios.[8] The Exchange believes the fact that MIAX's proposed rule change to adopt RFC orders for SPIKES options was based on current Exchange Rule 5.24(e)(1)(D) further demonstrates that the intended purposes of both RFC orders for VIX and SPX options on the Exchange and RFC orders for SPIKES option on MIAX are substantially the same.[9]

The Exchange requests accelerated approval of Amendment No. 1. The Exchange proposes no changes to the substance or the framework of the proposed rule change. Amendment No. 1 adds discussion to support the rule change, including the fact that the Commission recently approved a virtually identical order type for another options exchange after a full notice and comment period during which no comments were submitted. 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.

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7 See Securities Exchange Act Release No. 88872 (May 14, 2020), 85 FR 30779, 30781 (May 20, 2020) (SR-MIAX-2020-11); see also Securities Exchange Act Release No. 89213 (July 1, 2020), 85 FR 41077, 41078 (July 8, 2020) (approval of SR-MIAX-2020-11).

8 See Securities Exchange Act Release No. 88872 (May 14, 2020), 85 FR 30779, 30781 (May 20, 2020) (SR-MIAX-2020-11).

9 See id.

Exhibit 5. Proposed rule text.

EXHIBIT 4

Additions set forth in the proposed rule text of original SR-CBOE-2020-060 are underlined and deletions set forth in the proposed rule text of original SR-CBOE-2020-060 are bracketed. Additions being made pursuant to Amendment No. 1 to SR-CBOE-2020-060 are double underlined and deletions being made pursuant to Amendment No. 1 to SR-CBOE-2020-060 are struck-through.

* * * * *

Rules of Cboe Exchange, Inc.

* * * * *

Rule 5.24. Disaster Recovery

(a) – (d) No change.

(e) *Loss of Trading Floor.* If the Exchange trading floor becomes inoperable, the Exchange will continue to operate in a screen-based only environment using a floorless configuration of the System that is operational while the trading floor facility is inoperable. The Exchange will operate using this configuration only until the Exchange's trading floor facility is operational. Open outcry trading will not be available in the event the trading floor becomes inoperable, except in accordance with paragraph (2) below and pursuant to Rule 5.26, as applicable.

> (1) *Applicable Rules.* In the event that the trading floor becomes inoperable, trading will be conducted pursuant to all applicable System Rules, except that open outcry Rules will not be in force, including but not limited to the Rules (or applicable portions of the Rules) in Chapter 5, Section G, and as follows (subparagraphs (A) through (E) will be effective until June 30, 2020):
>
> > (A) No change.
> >
> > (B) with respect to complex orders in any exclusively listed index option class:
> >
> > > (1) No change.
> > >
> > > (2) notwithstanding the definition of "complex order" in Rule 1.1, for purposes of Rule 5.33, the term "complex order" means a complex order with any ratio equal to or greater than one-to-twenty-five (0.04) and equal to or less than twenty-five-to-one (25.00); and

(C) the contract volume a Market-Maker trades electronically during a time period in which the Exchange operates in a screen-based only environment will be excluded from determination of whether a Market-Maker executes more than 20% of its contract volume electronically in an appointed class during any calendar quarter, and thus is subject to the continuous electronic quoting obligation, as set forth in Rule 5.52(d)[; and].

[(D) a TPH may execute a "Related Futures Cross" or "RFC" order, which is comprised of an SPX or VIX option combo order coupled with a contra-side order or orders totaling an equal number of option combo orders, which is identified to the Exchange as being part of an exchange of option contracts for related futures positions. For purposes of RFC orders:

(1) In order to execute an RFC order:

(a) until the time when System functionality described in subparagraph (b) is available, a TPH may execute an RFC order without exposure on the Exchange by inputting the execution into the Exchange's Clearing Editor; and

(b) at the time when System functionality is available, a TPH must submit the RFC order to the System, which may execute automatically on entry without exposure.

(2) A TPH may execute an RFC order pursuant to subparagraph (1) above only if: (a) each option leg executes at a price that complies with Rule 5.33(f)(2), provided that no option leg executes at the same price as a Priority Customer Order in the Simple Book; (b) each option leg executes at a price at or between the NBBO for the applicable series; and (c) the execution price is better than the price of any complex order resting in the COB, unless the RFC order is a Priority Customer Order and the resting complex order is a non-Priority Customer Order, in which case the execution price may be the same as or better than the price of the resting complex order. Rule 5.9 (related to exposure of orders on the Exchange) does not apply to executions of RFC orders. The System cancels an RFC order if it cannot execute.

(3) An RFC order may only be entered in the standard increment applicable to the class under Rule 5.4(b).

(4) For purposes of this subparagraph (D), an SPX or VIX options combo order is a two-legged order with one leg to purchase (sell) SPX or VIX calls and another leg to sell (purchase) the same number of SPX or VIX, respectively, puts with the same expiration date and strike price.

(5) For purposes of this subparagraph (D), an exchange of option contracts for related futures positions is a transaction entered into by market participants seeking to swap option positions with related futures positions with related exposures.

(a) A related futures position is a position in a futures contract with either the same underlying as or a high degree of price correlation to the underlying of the option combo in the RFC order so that execution of the option combos in the RFC order would serve as an appropriate hedge for the related future positions.

(b) In an exchange of contracts for related positions, one party(ies) must be the buyer(s) of (or the holder(s) of the long market exposure associated with) the options positions and the seller(s) of corresponding futures contracts and the other party(ies) must be the seller(s) of (or holder(s) of the short market exposure associated with) the options positions and the buyer(s) of the corresponding futures contracts. The quantity of the option contracts executed as part of the RFC order must correlate to the quantity represented by the related futures position portion of the exchange.

(6) An RFC order may be executed only during Regular Trading Hours and contemporaneously with the execution of the related futures position portion of the exchange.

(7) The transaction involving the related futures position of the exchange must comply with all applicable rules of the designated contract market on which the futures are listed for trading]; and]

([E]D) The Exchange will make available an electronic "compression forum" in the same manner as an open outcry "compression forum" as set forth in Rule 5.88, except as follows:

* * * * *

Rule 5.33. Complex Orders

Trading of complex orders (as defined in Rule 1.1) is subject to all other Rules applicable to the trading of orders, unless otherwise provided in this Rule 5.33.

(a) No change.

(b) *Types of Complex Orders.* Complex orders are available in all classes listed for trading on the Exchange. Complex orders may be market or limit orders.

(1) – (4) No change.

(5) The System also accepts the following instructions for complex orders:

* * * * *

Post Only

A "Post Only" complex order is a complex order the System ranks and executes pursuant to this Rule 5.33 or cancels or rejects, as applicable (in accordance with the User's instructions), except the order may not remove liquidity from the COB or the Simple Book. The System cancels or rejects a Post Only market complex order unless it is subject to the drill-through protection in Rule 5.34(b). A User may not designate a Post Only order as Direct to PAR.

Related Futures Cross or RFC

For purposes of electronic trading, a "Related Futures Cross" or "RFC" order is an SPX or VIX complex order comprised of an option combo order coupled with a contra-side order or orders totaling an equal number of option combo orders. For purposes of open outcry trading, an RFC order is an SPX or VIX complex order comprised of an option combo that may execute against a contra-side RFC order or orders totaling an equal number of option combo orders. An RFC order must be identified to the Exchange as being part of an exchange of option contracts for related futures positions. For purposes of this order instruction:

(A) An SPX or VIX option combo order is a two-legged order with one leg to purchase (sell) SPX or VIX calls and another leg to sell (purchase) the same number of SPX or VIX, respectively, puts with the same expiration date and strike price.

(B) An exchange of option contracts for related futures positions is a transaction entered into by market participants seeking to swap option positions with related futures positions with related exposures.

(i) A related futures position is a position in a futures contract with either the same underlying as or a high degree of price correlation to the underlying of the option combo in the RFC order so that execution of the option combos in the RFC order would serve as an appropriate hedge for the related future positions.

(ii) In an exchange of contracts for related positions, one party(ies) must be the buyer(s) of (or the holder(s) of the long market exposure associated with) the options positions and the seller(s) of corresponding futures contracts and the other party(ies) must be the seller(s) of (or holder(s) of the short market exposure associated with) the options positions and the buyer(s) of the corresponding futures contracts. The quantity of the option contracts executed as part of the RFC order must correlate to the quantity represented by the related futures position portion of the exchange.

* * * * *

(m) *RFC Orders.*

(1) An RFC order executes automatically on entry without exposure if:

(A) each option leg executes at a price that complies with subparagraph (f)(2) above, provided that no option leg executes at the same price as a Priority Customer Order in the Simple Book;

(B) each option leg executes at a price at or between the NBBO for the applicable series; and

(C) the execution price is better than the price of any complex order resting in the COB, unless the RFC order is a Priority Customer Order and the resting complex order is a non-Priority Customer Order, in which case the execution price may be the same as or better than the price of the resting complex order.

The System cancels an RFC order if it cannot execute.

(2) An RFC order may only be entered in the standard increment applicable to the class pursuant to subparagraph (f)(1)(A) above.

(3) The execution of an RFC order must happen contemporaneously with the execution of the related futures position portion of the exchange.

(4) The transaction involving the related futures position of the exchange must comply with all applicable rules of the designated contract market on which the futures are listed for trading.

(5) Rule 5.9 (related to exposure of orders on the Exchange) does not apply to executions of RFC orders.

* * * * *

Rule 5.83. Availability of Orders

(a) No change.

(b) *Complex Orders.* The Exchange may make complex orders, including security future-option orders, and stock-option orders available for PAR routing for manual handling. Other than Index Combo orders, which may be submitted for electronic and open outcry handling, a complex order with a ratio less than one-to-three (.333) or greater than three-to-one (3.00) may only be submitted for manual handling and open outcry trading. The Exchange may make the follow complex order types available for PAR routing for manual handling (and open outcry trading):

(1) No change.

(2) *Order Instructions:* AON, Attributable, Complex Only, Index Combo, MTP Modifier, Multi-Class Spread, Non-Attributable, Not Held, RFC, RTH Only, SPX Combo, and stock-option order.

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Rule 5.85. Order and Quote Allocation, Priority, and Execution

(a) – (h) No change.

(i) *RFC Orders.*

(1) RFC orders execute against each other without representation on the trading floor if:

(A) each option leg executes at a price that complies paragraph (b) above, provided that no option leg executes at the same price as a Priority Customer Order in the Simple Book;

(B) each option leg executes at a price at or between the NBBO for the applicable series; and

(C) the execution price is better than the price of a complex order resting in the COB, unless the RFC order is a Priority Customer Order and the resting complex order is a non-Priority Customer Order, in which case the execution price may be the same as or better than the price of the resting complex order.

RFC orders may not be executed unless the above criteria are satisfied.

(2) An RFC order may only be entered in the standard increment applicable to the class pursuant to Rule 5.4(b).

(3) The execution of an RFC order must happen contemporaneously with the execution of the related futures position portion of the exchange.

(4) The transaction involving the related futures position of the exchange must comply with all applicable rules of the designated contract market on which the futures are listed for trading.

(5) Rule 5.9 (related to exposure of orders on the Exchange) does not apply to executions of RFC orders.

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EXHIBIT 5

(additions are underlined; deletions are [bracketed])

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Rules of Cboe Exchange, Inc.

* * * * *

Rule 5.24. Disaster Recovery

(a) – (d) No change.

(e) *Loss of Trading Floor.* If the Exchange trading floor becomes inoperable, the Exchange will continue to operate in a screen-based only environment using a floorless configuration of the System that is operational while the trading floor facility is inoperable. The Exchange will operate using this configuration only until the Exchange's trading floor facility is operational. Open outcry trading will not be available in the event the trading floor becomes inoperable, except in accordance with paragraph (2) below and pursuant to Rule 5.26, as applicable.

(1) *Applicable Rules.* In the event that the trading floor becomes inoperable, trading will be conducted pursuant to all applicable System Rules, except that open outcry Rules will not be in force, including but not limited to the Rules (or applicable portions of the Rules) in Chapter 5, Section G, and as follows (subparagraphs (A) through (E) will be effective until June 30, 2020):

(A) No change.

(B) with respect to complex orders in any exclusively listed index option class:

(1) No change.

(2) notwithstanding the definition of "complex order" in Rule 1.1, for purposes of Rule 5.33, the term "complex order" means a complex order with any ratio equal to or greater than one-to-twenty-five (0.04) and equal to or less than twenty-five-to-one (25.00); and

(C) the contract volume a Market-Maker trades electronically during a time period in which the Exchange operates in a screen-based only environment will be excluded from determination of whether a Market-Maker executes more than 20% of its contract volume electronically in an appointed class during any calendar quarter, and thus is subject to the continuous electronic quoting obligation, as set forth in Rule 5.52(d)[; and

(D) a TPH may execute a "Related Futures Cross" or "RFC" order, which is comprised of an SPX or VIX option combo order coupled with a contra-side order or orders totaling an equal number of option combo orders, which is identified to the

Exchange as being part of an exchange of option contracts for related futures positions. For purposes of RFC orders:

(1) In order to execute an RFC order:

(a) until the time when System functionality described in subparagraph (b) is available, a TPH may execute an RFC order without exposure on the Exchange by inputting the execution into the Exchange's Clearing Editor; and

(b) at the time when System functionality is available, a TPH must submit the RFC order to the System, which may execute automatically on entry without exposure.

(2) A TPH may execute an RFC order pursuant to subparagraph (1) above only if: (a) each option leg executes at a price that complies with Rule 5.33(f)(2), provided that no option leg executes at the same price as a Priority Customer Order in the Simple Book; (b) each option leg executes at a price at or between the NBBO for the applicable series; and (c) the execution price is better than the price of any complex order resting in the COB, unless the RFC order is a Priority Customer Order and the resting complex order is a non-Priority Customer Order, in which case the execution price may be the same as or better than the price of the resting complex order. Rule 5.9 (related to exposure of orders on the Exchange) does not apply to executions of RFC orders. The System cancels an RFC order if it cannot execute.

(3) An RFC order may only be entered in the standard increment applicable to the class under Rule 5.4(b).

(4) For purposes of this subparagraph (D), an SPX or VIX options combo order is a two-legged order with one leg to purchase (sell) SPX or VIX calls and another leg to sell (purchase) the same number of SPX or VIX, respectively, puts with the same expiration date and strike price.

(5) For purposes of this subparagraph (D), an exchange of option contracts for related futures positions is a transaction entered into by market participants seeking to swap option positions with related futures positions with related exposures.

(a) A related futures position is a position in a futures contract with either the same underlying as or a high degree of price correlation to the underlying of the option combo in the RFC order so that execution of the option combos in the RFC order would serve as an appropriate hedge for the related future positions.

(b) In an exchange of contracts for related positions, one party(ies) must be the buyer(s) of (or the holder(s) of the long market exposure associated with) the options positions and the seller(s) of corresponding futures contracts and the other party(ies) must be the seller(s) of (or holder(s) of the short market exposure associated with) the options positions and the buyer(s) of the corresponding futures contracts. The quantity of the option contracts executed as part of the RFC order must correlate to the quantity represented by the related futures position portion of the exchange.

(6) An RFC order may be executed only during Regular Trading Hours and contemporaneously with the execution of the related futures position portion of the exchange.

(7) The transaction involving the related futures position of the exchange must comply with all applicable rules of the designated contract market on which the futures are listed for trading]; and

([E]<u>D</u>) The Exchange will make available an electronic "compression forum" in the same manner as an open outcry "compression forum" as set forth in Rule 5.88, except as follows:

* * * * *

Rule 5.33. Complex Orders

Trading of complex orders (as defined in Rule 1.1) is subject to all other Rules applicable to the trading of orders, unless otherwise provided in this Rule 5.33.

(a) No change.

(b) *Types of Complex Orders.* Complex orders are available in all classes listed for trading on the Exchange. Complex orders may be market or limit orders.

(1) – (4) No change.

(5) The System also accepts the following instructions for complex orders:

* * * * *

Post Only

A "Post Only" complex order is a complex order the System ranks and executes pursuant to this Rule 5.33 or cancels or rejects, as applicable (in accordance with the User's instructions), except the order may not remove liquidity from the COB or the Simple Book. The System cancels or rejects a Post Only market complex order unless it is subject to the drill-through protection in Rule 5.34(b). A User may not designate a Post Only order as Direct to PAR.

<u>**Related Futures Cross or RFC**</u>

<u>For purposes of electronic trading, a "Related Futures Cross" or "RFC" order is an SPX or VIX complex order comprised of an option combo order coupled with a contra-side order or</u>

orders totaling an equal number of option combo orders. For purposes of open outcry trading, an RFC order is an SPX or VIX complex order comprised of an option combo that may execute against a contra-side RFC order or orders totaling an equal number of option combo orders. An RFC order must be identified to the Exchange as being part of an exchange of option contracts for related futures positions. For purposes of this order instruction:

(A) An SPX or VIX option combo order is a two-legged order with one leg to purchase (sell) SPX or VIX calls and another leg to sell (purchase) the same number of SPX or VIX, respectively, puts with the same expiration date and strike price.

(B) An exchange of option contracts for related futures positions is a transaction entered into by market participants seeking to swap option positions with related futures positions with related exposures.

(i) A related futures position is a position in a futures contract with either the same underlying as or a high degree of price correlation to the underlying of the option combo in the RFC order so that execution of the option combos in the RFC order would serve as an appropriate hedge for the related future positions.

(ii) In an exchange of contracts for related positions, one party(ies) must be the buyer(s) of (or the holder(s) of the long market exposure associated with) the options positions and the seller(s) of corresponding futures contracts and the other party(ies) must be the seller(s) of (or holder(s) of the short market exposure associated with) the options positions and the buyer(s) of the corresponding futures contracts. The quantity of the option contracts executed as part of the RFC order must correlate to the quantity represented by the related futures position portion of the exchange.

* * * * *

(m) *RFC Orders.*

(1) An RFC order executes automatically on entry without exposure if:

(A) each option leg executes at a price that complies with subparagraph (f)(2) above, provided that no option leg executes at the same price as a Priority Customer Order in the Simple Book;

(B) each option leg executes at a price at or between the NBBO for the applicable series; and

(C) the execution price is better than the price of any complex order resting in the COB, unless the RFC order is a Priority Customer Order and the resting complex order is a non-Priority Customer Order, in which case the execution price may be the same as or better than the price of the resting complex order.

The System cancels an RFC order if it cannot execute.

(2) An RFC order may only be entered in the standard increment applicable to the class pursuant to subparagraph (f)(1)(A) above.

(3) The execution of an RFC order must happen contemporaneously with the execution of the related futures position portion of the exchange.

(4) The transaction involving the related futures position of the exchange must comply with all applicable rules of the designated contract market on which the futures are listed for trading.

(5) Rule 5.9 (related to exposure of orders on the Exchange) does not apply to executions of RFC orders.

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Rule 5.83. Availability of Orders

(a) No change.

(b) *Complex Orders.* The Exchange may make complex orders, including security future-option orders, and stock-option orders available for PAR routing for manual handling. Other than Index Combo orders, which may be submitted for electronic and open outcry handling, a complex order with a ratio less than one-to-three (.333) or greater than three-to-one (3.00) may only be submitted for manual handling and open outcry trading. The Exchange may make the follow complex order types available for PAR routing for manual handling (and open outcry trading):

(1) No change.

(2) *Order Instructions:* AON, Attributable, Complex Only, Index Combo, MTP Modifier, Multi-Class Spread, Non-Attributable, Not Held, RFC, RTH Only, SPX Combo, and stock-option order.

* * * * *

Rule 5.85. Order and Quote Allocation, Priority, and Execution

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(B) each option leg executes at a price at or between the NBBO for the applicable series; and

(C) the execution price is better than the price of a complex order resting in the COB, unless the RFC order is a Priority Customer Order and the resting complex order is a non-Priority Customer Order, in which case the execution price may be the same as or better than the price of the resting complex order.

RFC orders may not be executed unless the above criteria are satisfied.

(2) An RFC order may only be entered in the standard increment applicable to the class pursuant to Rule 5.4(b).

(3) The execution of an RFC order must happen contemporaneously with the execution of the related futures position portion of the exchange.

(4) The transaction involving the related futures position of the exchange must comply with all applicable rules of the designated contract market on which the futures are listed for trading.

(5) Rule 5.9 (related to exposure of orders on the Exchange) does not apply to executions of RFC orders.

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