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Ms. Vanessa Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street NE
Washington, D.C. 20549-1090

Submitted via email to: SEC Online Form

January 13, 2024

Dear Ms. Countryman:

Self-Regulatory Organizations; Cboe Exchange, Inc.; Notice of Filing of a Proposed Rule Change to Amend its Rules Relating to Position and Exercise Limits (File No. SR-CBOE-2023-063)

The Alternative Investment Management Association (“AIMA”)¹ appreciates the opportunity to submit this response to the U.S. Securities and Exchange Commission (“SEC” or “Commission”) regarding the proposed rule change filed by Cboe Exchange, Inc. (“Cboe”) to amend its rules relating to position and exercise limits (the “Proposal”).² AIMA supports the proposed changes and recommends that the Commission approve the Proposal.

As the Proposal explains, Cboe’s current position limit categories were last updated 18 years ago and are therefore overdue for modernization, especially considering that recent annual equity options trading volume is nearly “seven times the volume amount when the current position tier limits were

¹ AIMA, the Alternative Investment Management Association, is the global representative of the alternative investment industry, with around 2,100 corporate members in over 60 countries. AIMA’s fund manager members collectively manage more than \$2.5 trillion in hedge fund and private credit assets. AIMA draws upon the expertise and diversity of its membership to provide leadership in industry initiatives such as advocacy, policy and regulatory engagement, educational programs and sound practice guides. AIMA works to raise media and public awareness of the value of the industry. AIMA set up the Alternative Credit Council (ACC) to help firms focused in the private credit and direct lending space. The ACC currently represents over 250 members that manage \$1 trillion of private credit assets globally. AIMA is committed to developing skills and education standards and is a co-founder of the Chartered Alternative Investment Analyst designation (CAIA) – the first and only specialized educational standard for alternative investment specialists. AIMA is governed by its Council (Board of Directors). For further information, please visit AIMA’s website, www.aima.org.

² Self-Regulatory Organizations; Cboe Exchange, Inc., “Notice of Filing of a Proposed Rule Change to Amend its Rules Relating to Position and Exercise Limits”, 88 Fed. Reg. 86701 (Dec 14, 2023)



adopted in 2005 and has more than doubled since 2017.”³ The current position limits for some equity options have limited those options’ trading volume and, as a result, reduced and, in some instances, negatively impacted liquidity and possibly execution prices.

We agree with Cboe that the three new position limits categories will lead to a more liquid and competitive market environment, with benefits accruing to both market participants and the marketplace for equity options. Furthermore, the Proposal highlights that the existing surveillance and reporting requirements will be maintained, which will afford Cboe and other self-regulatory organizations the ability to continue to properly identify disruptive and/or manipulative trading activity.

For further information or if you have any questions, please contact Daniel Austin, Head of U.S. Markets Policy and Regulation, at daustin@aima.org.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "J. Król", with a stylized flourish at the end.

Jiří Król
Deputy CEO, Global Head of Government Affairs
AIMA

³ *Id.* at 86702.