

# SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105463; File No. SR-CboeBZX-2026-041]

## **Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend its Fees Schedule to Adopt a New Fee Code for Market-Maker Complex Orders Executed on the Complex Order Book that Add Liquidity in Penny Program Securities and to Amend its Orders Submitted with a Designated Give Up Program**

May 12, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on May 1, 2026, Cboe BZX Exchange, Inc. (“Exchange” or “BZX”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. 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 BZX Exchange, Inc. (the “Exchange” or “BZX”) proposes to amend its Fees Schedule to adopt a new fee code for Market-Maker Complex orders executed on the complex order book that add liquidity in Penny Program Securities and to amend its Orders Submitted with a Designated Give Up program. The text of the proposed rule change is provided in Exhibit 5.

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

The text of the proposed rule change is also available on the Commission’s website (<https://www.sec.gov/rules/sro.shtml>), the Exchange’s website ([https://www.cboe.com/us/equities/regulation/rule\\_filings/bzx/](https://www.cboe.com/us/equities/regulation/rule_filings/bzx/)), and at the principal office of the Exchange.

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 modify its Fees Schedule, effective May 1, 2026.

First, the Exchange proposes to adopt a new fee code for Market-Maker Complex orders that trade on the BZX Options complex order book (“COB”). Currently the Exchange applies fee code ZF to all Non-Customer Complex orders executed on the COB that add liquidity in Penny Program Securities<sup>3</sup> and assesses a fee of \$0.50 per contract. As proposed, the Exchange would apply fee code ZI to Market-Maker Complex orders executed on the COB that add liquidity in Penny Program Securities and would charge such orders a fee of \$0.50 per contract. For the avoidance of doubt, there is no change to the fee assessed to Market-Maker Complex orders

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<sup>3</sup> “Penny Program Securities” are those issues quoted pursuant to Exchange Rule 21.5(d).

executed on the COB that add liquidity in Penny Program Securities orders as result of the proposed change; the change simply results in a different fee code being applied to such orders.

As a result of the proposed change, the Exchange also proposes to amend the Complex order Non-Customer Penny Add Volume Tier set forth in Footnote 12. Under the Complex order Non-Customer Penny Add Volume Tier, currently applicable to qualifying Complex Non-Customer orders in Penny Program Securities that add liquidity yielding fee code ZF, the Exchange assesses a fee of \$0.49 per contract for all qualifying orders yielding fee code ZF where a Member has (1) an ADV in Complex Customer orders  $\geq 0.15\%$  of average OCV; and (2) an ADAV in Market Maker orders  $\geq 0.35\%$  of average OCV. The Exchange proposes to amend the Complex order Non-Customer Penny Add Volume Tier to apply to qualifying Complex Market-Maker orders in Penny Program Securities that add liquidity yielding proposed fee code ZI.<sup>4</sup> The Complex order Non-Customer Penny Add Volume Tier currently applies to such qualifying orders; there is no practical change as a result of the proposed change.

The Exchange also proposes to amend fee code ZF, appended to all Non-Customer Complex orders executed on the COB that add liquidity in Penny Program Securities and assesses a fee of \$0.50 per contract, to apply to all Non-Customer, Non-Market-Maker Complex orders executed on the COB that add liquidity in Penny Program Securities. There are no changes to the fee amount assessed to orders yielding fee code ZF as a result of the proposed change.

Finally, the Exchange proposes to amend Footnote 5, which provides that when a “Designated Give Up”, as defined in Rule 21.12(b)(1), is specified on an order, applicable

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<sup>4</sup> The Exchange proposes to append a reference to Footnote 12 to proposed fee code ZI within the Fee Codes and Associated Fees table.

rebates (i.e., any standard rebate or applicable tier rebates) for orders routed to and executed on the Exchange (yielding fee code NA, NF, NN, NY, PA, PC, PF, PN<sub>2</sub> and PY) are provided to the Member who routed the order to the Exchange.

By way of background, Rule 21.12 provides that, in addition to its own Clearing Member<sup>5</sup> (or itself, if the firm is self-clearing), a User<sup>6</sup> may identify to the Exchange a Designated Give Up, as that term is defined in the Rule. Specifically, Rule 21.12(b)(1) defines the term Designated Give Up as any Clearing Member that a User (other than a Market Maker)<sup>7</sup> identifies to the Exchange, in writing, as a Clearing Member the User requests the ability to give up. As such, a Member acting as an options routing firm on behalf of one or more other Exchange Members (a “Routing Firm”) is able to route orders to the Exchange and to immediately give up the party (a party other than the Routing Firm itself or the Routing Firm’s own clearing firm) who will accept and clear any resulting transaction.

The Exchange proposes to amend Footnote 5<sup>8</sup> to include orders yielding fee codes ZA,<sup>9</sup> ZB,<sup>10</sup> and ZF to the list of orders to which the Designated Give Up rebate program applies, so that applicable rebates for orders routed to and executed on the Exchange yielding fee codes ZA,

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<sup>5</sup> A Clearing Member is defined as “Options Member that is self-clearing or an Options Member that clears BZX Options Transactions for other Members of BZX Options.” See Exchange Rule 16.1. An Option Member is defined as “a firm, or organization that is registered with the Exchange pursuant to Chapter XVII of these Rules for purposes of participating in options trading on EDGX Options as an ‘Options Order Entry Firm’ or ‘Options Market Maker.’” See Exchange Rule 16.1(a)(38).

<sup>6</sup> See Exchange Rule 1.5(cc).

<sup>7</sup> See Exchange Rule 1.5(l).

<sup>8</sup> As part of the proposed changes, the Exchange proposes to append Footnote 5 to fee codes ZA, ZB, and ZF in the ‘Fee Codes and Associated Fees’ table of the Fees Schedule.

<sup>9</sup> Fee code ‘ZA’ applies to Complex Customer contra Non-Customer orders in Penny Securities.

<sup>10</sup> Fee code ‘ZB’ applies to Complex Customer contra Non-Customer orders in Non-Penny Securities.

ZB, or ZF are provided to the Member who routed the order to the Exchange, similar to orders yielding fee codes NA, NF, NN, NY, PA, PC, PF, PN, and PY.<sup>11</sup>

## 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.<sup>12</sup> Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)<sup>13</sup> 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)<sup>14</sup> requirement that the rules of an exchange not be designed to permit unfair discrimination. The Exchange also believes the proposed rule change is consistent with Section 6(b)(4) of the Act,<sup>15</sup> which requires that Exchange rules provide for the

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<sup>11</sup> Fee code ‘NA’ applies to Professional orders that add liquidity in Non-Penny Securities; fee code ‘NF’ applies to Firm/Broker Dealer/Joint Back Office orders that add liquidity in Non-Penny Securities; fee code ‘NN’ applies to Away Market-Maker orders that add liquidity in Non-Penny Securities; fee code ‘NY’ applies to Customer orders that add liquidity in Penny Securities; fee code ‘PA’ applies to Professional orders that add liquidity in Penny Securities; fee code ‘PC’ applies to Customer orders that remove liquidity in Penny Securities; fee code ‘PF’ applies to Firm/Broker Dealer/Joint Back office orders that add liquidity in Penny Securities; fee code ‘PN’ applies to Away Market-Maker orders that add liquidity in Penny Securities; and fee code ‘PY’ applies to Customer orders that add liquidity in Penny Securities.

<sup>12</sup> 15 U.S.C. 78f(b).

<sup>13</sup> 15 U.S.C. 78f(b)(5).

<sup>14</sup> Id.

<sup>15</sup> 15 U.S.C. 78f(b)(4).

equitable allocation of reasonable dues, fees, and other charges among its Members and other persons using its facilities.

The Exchange believes the proposed changes are reasonable and equitable. As noted above, the changes to apply fee code ZI to Market-Maker Complex orders executed on the COB that add liquidity in Penny Program Securities and assess such orders a fee of \$0.50 per contract, amend the Complex order Non-Customer Penny Add Volume Tier to also apply to qualifying Complex Market-Maker orders in Penny Program Securities that add liquidity yielding proposed fee code ZI, and amend fee code ZF to apply to all Non-Customer, Non-Market-Maker Complex orders executed on the COB that add liquidity in Penny Program Securities are strictly administrative. The purpose of the proposed change is to create a new fee code for Market-Maker Complex orders executed on the COB that add liquidity in Penny Program Securities, separate from other Non-Customer, Non-Market-Maker Complex orders executed on the COB that add liquidity in Penny Program Securities, to which fee code ZF will continue to apply. The Exchange believes such changes are reasonable, as there are no changes to the fees assessed to applicable orders, under standard transaction fees or under the Complex order Non-Customer Penny Add Volume Tier, as a result of the proposal. The Exchange believes its proposal is equitable and not unreasonably discriminatory as it will apply equally to all Market-Maker Complex orders executed on the COB that add liquidity in Penny Program Securities, in that all orders will continue to be assessed a standard transaction of fee of \$0.50 per contract and be eligible for the Complex order Non-Customer Penny Add Volume Tier. Similarly, all Non-Customer, Non-Market-Maker Complex orders executed on the COB that add liquidity in Penny Program Securities and yield fee code ZF will continue to be assessed a standard transaction of

fee of \$0.50 per contract and be eligible for the Complex order Non-Customer Penny Add Volume Tier.

The Exchange believes the proposed changes to the Orders Submitted with a Designated Give Up program is reasonable and equitable. Because the Routing Firm is responsible for the decision to route orders yielding fee codes ZA, ZB, and ZF to the Exchange, the Exchange believes that such Member should be provided the rebate when such orders are executed, similar to other Non-Market-Maker orders that currently fall under the program (i.e., orders yielding fee codes NA, NF, NN, NY, PA, PC, PF, PN, and PY). The Exchange notes that the U.S. options markets are highly competitive, and the proposed fee structure is intended to provide an incentive for Members to direct Complex orders to the Exchange. The proposal would only apply to fee codes ZA, ZB, and ZF, (in addition to fee codes NA, NF, NN, NY, PA, PC, PF, PN, and PY currently eligible) related to Non-Market-Maker order flow, because these reflect the primary liquidity that the Exchange is seeking to attract from Routing Firms that are able to identify Designated Give Ups.<sup>16</sup> The Exchange believes that the proposed amendments to its fee schedule will enhance the Exchange's competitive position and will result in increased liquidity on the Exchange, to the benefit of all Exchange participants. Therefore, the Exchange believes that providing rebates is equitable and reasonable and not unfairly discriminatory as it would allow the Exchange, in the context of the its established give up procedure described above, to provide a rebate directly to the party making the routing decision to direct certain orders to the Exchange (i.e., the Routing Firm), which is consistent with both the Exchange's historic practice and the purpose behind a rebate (i.e., to incentivize the order being directed to the Exchange).

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<sup>16</sup> The Exchange notes that Market-Makers may only give up its respective Guarantor, as defined by Rule 21.12(b)(2). See Cboe BZX Options Rule 21.12(b)(5).

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 the proposed changes related to the adoption of a new fee code for Market-Maker Complex orders executed on the COB that add liquidity in Penny Program Securities, separate from other Non-Customer, Non-Market-Maker Complex orders executed on the COB that add liquidity in Penny Program Securities will impose any burden on intramarket or intermarket competition. As noted above, the proposed changes are strictly administrative. There are no changes to the fees assessed to applicable orders, under standard transaction fees or under the Complex order Non-Customer Penny Add Volume Tier, as a result of the proposal. Further, the changes will apply equally to all Market-Maker Complex orders executed on the COB that add liquidity in Penny Program Securities, in that all orders will continue to be assessed a standard transaction of fee of \$0.50 per contract and be eligible for the Complex order Non-Customer Penny Add Volume Tier. Similarly, all Non-Customer, Non-Market-Maker Complex orders executed on the COB that add liquidity in Penny Program Securities and yield fee code ZF will continue to be assessed a standard transaction of fee of \$0.50 per contract and be eligible for the Complex order Non-Customer Penny Add Volume Tier.

The Exchange does not believe that the proposed changes to the Orders Submitted with a Designated Give Up program will impose any burden on intramarket competition. As noted above, because the Routing Firm is responsible for the decision to route orders yielding fee codes ZA, ZB, and ZF to the Exchange, the Exchange believes that such Member should be provided the rebate when such orders are executed, similar to other Non-Market-Maker orders that currently fall under the program. The proposed change would allow the Exchange, in the context of the its established give up procedure described above, to provide a rebate directly to the party

making the routing decision to direct certain orders to the Exchange (i.e., the Routing Firm), which is consistent with both the Exchange's historic practice and the purpose behind a rebate (i.e., to incentivize the order being directed to the Exchange).

The Exchange also does not believe that the proposed changes to the Orders Submitted with a Designated Give Up program will impose any burden on intermarket competition. The Exchange notes that the U.S. options markets are highly competitive, and the proposed fee structure is intended to provide an incentive for Members to direct Complex orders to the Exchange. Additionally, Members may opt to disfavor the Exchange's pricing if they believe that alternatives offer them better value. The Exchange believes that its proposal to incentivize Routing Firms that are utilizing the new give up procedure to direct orders to the Exchange, and will enhance the Exchange's competitive position by resulting in increased liquidity on the Exchange, thereby providing more of an opportunity for customers to receive best executions.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>17</sup> and paragraph (f) of Rule 19b-4<sup>18</sup> 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

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<sup>17</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>18</sup> 17 CFR 240.19b-4(f).

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:

##### 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](mailto:rule-comments@sec.gov). Please include file number SR-CboeBZX-2026-041 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-CboeBZX-2026-041. 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 filing 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-CboeBZX-2026-041 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.<sup>19</sup>

**Vanessa A. Countryman,**  
*Secretary.*

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<sup>19</sup> 17 CFR 200.30-3(a)(12).