SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105711; File No. SR-CboeBZX-2026-053]

Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Notice of Filing of a Proposed Rule Change to Amend Rule 11.9(d) to Permit an Intermarket Sweep Order ("ISO") to be Entered as a Non-Displayed Order and to Establish the Price Level At Which the System Will Consider an ISO Available For Other Orders to be Entered

June 17, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),[1] and Rule 19b-4 thereunder,[2] notice is hereby given that on June 5, 2026, Cboe BZX Exchange, Inc. (the "Exchange" or "BZX") filed with the Securities and Exchange Commission (the "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 Rule 11.9(d) to: i) permit an Intermarket Sweep Order to be entered as a Non-Displayed Order and ii) to establish the price level at which the System will consider an Intermarket Sweep Order available for other orders to be entered. The Exchange also proposes to amend Rule 11.9(g)(4) to permit Non-Displayed Orders to re-price to more aggressive prices. The text of the proposed rule change is provided in Exhibit 5.

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1 15 U.S.C. 78s(b)(1).

2 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/), 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

As part of its suite of order types, BZX currently offers Users the ability to enter Intermarket Sweep Orders ("ISOs"), which are limit orders for an NMS stock that meet the following requirements: (i) when routed to a trading center, the limit order is identified as an ISO; (ii) simultaneously with the routing of the limit order identified as an ISO, one or more additional limit orders, as necessary, are routed to execute against the full displayed size of any protected bid, in the case of a limit order to sell, or the full displayed size of any protected offer, in the case of a limit order to buy, for the NMS stock with a price that is superior to the limit price of the limit order as identified as an ISO (and these additional routed orders also must be marked as ISOs).[3] Currently,

[3] See Regulation NMS Rule 600(a)(47).

the Exchange does not specify that ISOs may be entered as Non-Displayed Orders.[4] Based on User[5] feedback, the Exchange proposes to amend Rule 11.9(d) to permit ISOs to be entered as Non-Displayed Orders ("Non-Displayed ISOs"). In addition to the proposed introduction of Non-Displayed ISOs, the Exchange also proposes to amend Rule 11.9(d) to establish the price level at which the System[6] will consider an ISO available for other orders to be entered. Lastly, in conjunction with the proposed amendment to Rule 11.9(d) to allow for Non-Displayed ISOs, the Exchange also proposes to amend Rule 11.9(g)(4) to permit Non-Displayed Orders to re-price to more aggressive prices.

Intermarket Sweep Orders

The Exchange currently permits Users to submit ISOs pursuant to Rule 11.9(d). In order to be eligible for treatment as an ISO, the limit order must be marked ISO and the User entering the order must simultaneously route one or more additional limit orders marked "ISO," as necessary, to away markets to execute against the full displayed size of any Protected Quotation[7] for the security with a price that is superior to the limit price of the ISO entered in the System.[8] Such orders, if they meet the requirements of the foregoing sentence, may be executed at one or multiple price levels in the system without regard to Protected Quotations at away markets consistent with Regulation NMS (i.e., may trade through such quotations).[9] The Exchange relies on the marking of an order as an

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4 See Exchange Rule 11.9(c)(11). A "Non-Displayed Order" is a market or limit order that is not displayed on the Exchange.

5 See Exchange Rule 1.5(cc). The term "User" shall mean any Member or Sponsored Participant who is authorized to obtain access to the System pursuant to Rule 11.3.

6 See Exchange Rule 1.5(aa). The term "System" shall mean the electronic communications and trading facility designated by the Board through which securities orders of Users are consolidated for ranking, execution and, when applicable, routing away.

7 See Rule 1.5(t). The term "Protected Quotation" shall mean a quotation that is a Protected Bid or Protected Offer.

8 See Exchange Rule 11.9(d).

9 Id.

ISO order when handling such order, and thus, it is the entering Member's responsibility, not the Exchange's responsibility, to comply with the requirements of Regulation NMS as it relates to ISOs.[10] ISOs are not eligible for routing pursuant to Rule 11.13(b).[11]

The Exchange now proposes to add a sentence to Rule 11.9(d) that states that an ISO may be entered as a displayed order or as a Non-Displayed Order (a "Non-Displayed ISO"). The Exchange notes that at least one other exchange[12] offers the ability to submit ISOs containing a Non-Displayed instruction and does not believe that its proposal introduces a novel order type.

In addition to permitting an ISO to be entered as a Non-Displayed Order, the Exchange also proposes to introduce Rules 11.9(d)(1) – (3) that establish the price level at which the System will consider an ISO available for other orders to be entered.

Proposed Rule 11.9(d)(1) would provide that upon receipt of an ISO during Regular Trading Hours,[13] the System will consider the limit price of the ISO to be available for new orders to be entered at that price level. Resting orders would re-price to the limit price of the ISO based on User instruction, unless the ISO is not itself accepted at that price level (for example, a Post-Only Order[14] that was cancelled to avoid executing against an Order on the BZX Book[15]) or the ISO is a Non-Displayed Order.

Proposed Rule 11.9(d)(2) would provide that upon receipt of an ISO during the Early

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10 Id.

11 Id.

12 See, e.g., Nasdaq Equity 4, Rule 4702(b)(3)(C) and Nasdaq Equity 4, Rule 4703(j).

13 See Rule 1.5(w). The term "Regular Trading Hours" means the time between 9:30 a.m. and 4:00 p.m. Eastern Time.

14 See Rule 11.9(c)(6). A "BZX Post Only Order" is an order that is to be ranked and executed on the Exchange pursuant to Rule 11.12 and Rule 11.13(a)(4) or cancelled, as appropriate, without routing away to another market center except that the order will not remove liquidity from the BZX Book, other than as described in Rule 11.9(c)(6).

15 See Rule 1.5(e). The term "BZX Book" shall mean the System's electronic file of orders.

Trading Session,[16] Pre-Opening Session,[17] or After Hours Trading Session,[18] the System will not consider the limit price of an ISO to be available for new orders to be entered at that price, and resting orders will not re-price based on the limit price of the ISO.

Proposed Rule 11.9(d)(3) would provide that notwithstanding subparagraphs (1) and (2), the System will consider the limit price of an ISO entered during Regular Trading Hours to remain available for new orders to be entered or resting orders to re-price based on User instruction if such order remains eligible for execution during the After Hours Trading Session. The System will not consider the limit price of an ISO entered during the Early Trading Session or Pre-Opening Session to be available for new orders to be entered or resting orders to re-price based on User instruction if such order remains eligible for execution during Regular Trading Hours or during the After Hours Trading Session. The Exchange has provided examples below to demonstrate how proposed Rules 11.9(d)(1) – (3) would operate.

Example 1[19]

Upon receipt of an ISO during Regular Trading Hours, the System will consider the limit price of an ISO to be available for new orders to be entered at that price level and resting orders would re-price to the limit price of the ISO.[20]

NBBO: $10.00 x $10.05 (assume BZX not on the NBO).

Order 1: Buy 1,000 at $10.06 –Displayed, price slide. Order 1 is posted to the BZX Book

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16 See Rule 1.5(ff). The term "Early Trading Session" shall mean the time between 4:00 a.m. and 8:00 a.m. Eastern Time.

17 See Rule 1.5(r). The term "Pre-Opening Session" shall mean the time between 8:00 a.m. and 9:30 a.m. Eastern Time.

18 See Rule 1.5(c). The term "After Hours Trading Session" shall mean the time between 4:00 p.m. and 8:00 p.m. Eastern Time.

19 For this example, assume that all orders are sent during Regular Trading Hours.

20 See proposed Rule 11.9(d)(1).

ranked at the locking price of $10.05 and displayed at a price of $10.04 pursuant to Rule 11.9(g)(1)(A).

Order 2: Buy 100 at $10.05 – Displayed, Day, ISO. Order 2 is posted to the BZX Book and displayed at a price of $10.05 as there is no contra-side liquidity on the BZX Book to execute against upon entry.

RESULT: Upon the receipt of Order 2, pursuant to Rule 11.9(g)(1)(A) and User instruction, Order 1 is displayed and ranked at a price of $10.05. Order 1 is permitted to join the price level of the ISO pursuant to proposed Rule 11.9(d)(1) as the User submitting the ISO is required to simultaneously route one or more additional limit orders marked ISO, as necessary, to away markets to execute against the full displayed size of any locked or crossed Protected Quotation.[21]

Example 2[22]

Upon receipt of an ISO during the Early Trading Session, Pre-Opening Session, or After Hours Trading Session, the System will not consider the limit price of an ISO to be available for other orders to be entered at that price, and resting orders will not re-price based on the limit price of the ISO.[23]

NBBO: $10.00 x $10.05 (assume BZX not on the NBO).

Order 1: Buy 10,000 at $10.06 – Displayed; Multiple Price Slide. Order 1 is posted to the BZX Book ranked at the locking price of $10.05 and displayed at a price of $10.04, pursuant to Rule 11.9(g)(1)(A).

Order 2: Buy 100 @ $10.06 – Displayed, Day, ISO.

RESULT: Upon entry, Order 2 is posted to the BZX Book as there is no contra-side

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21 See Rule 11.20(d)(3).

22 For this example, assume that all orders are sent during the Early Trading Session or Pre-Opening Session.

23 See proposed Rule 11.9(d)(2).

liquidity on the BZX Book to execute against. Order 2 is ranked and displayed at $10.06 pursuant to Rule 11.9(d). Pursuant to proposed Rule 11.9(g)(1)(A), Order 1 remains ranked at the locking price of $10.05 and displayed at a price of $10.04 upon receipt of Order 2.[24] As Rule 611 of Regulation NMS does not apply outside of Regular Trading Hours, Order 2 is not required to simultaneously route additional ISOs, as necessary, to execute against the full displayed size of any protected offer. Therefore, the Exchange believes it would be inappropriate to use the limit price of Order 2 as a reference point for the re-pricing of Order 1.

Example 3

Upon receipt of an ISO during the Early Trading Session, Pre-Opening Session, or After Hours Trading Session, the System will not consider the limit price of an ISO to be available for other orders to be entered at that price, and resting orders will not re-price based on the limit price of the ISO.[25]

NBBO: $10.00 x $10.05 (assume BZX not on the NBO).

Order 1: Buy 10,000 at $10.06 – Displayed; Multiple Price Slide. Order 1 is posted to the BZX Book ranked at the locking price of $10.05 and displayed at a price of $10.04, pursuant to Rule 11.9(g)(1)(A).

Order 2: Buy 100 @ $10.06 – Non-Displayed, Day, ISO.

RESULT: Upon entry, Order 2 is posted to the BZX Book as there is no contra-side liquidity on the BZX Book to execute against. Order 2 is ranked at the locking price of $10.05 pursuant to proposed Rule 11.9(g)(4). Order 1 remains ranked at the locking price of $10.05 and

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[24] Under current Exchange Rules, Order 1 would be re-priced and displayed at $10.06 pursuant to Rule 11.9(g)(1)(C) as Rule 610(d) of Regulation NMS is not violated during the Early Trading Session or Pre-Opening Session.

[25] See proposed Rule 11.9(d)(2).

displayed at a price of $10.04 upon receipt of Order 2 pursuant to Rule 11.9(g)(1)(A).

Example 4

The System will consider the limit price of an ISO entered during Regular Trading Hours to remain available for new orders to be entered or resting orders to re-price based on User instruction if such order remains eligible for execution during the After Hours Trading Session.

NBBO: $10.00 x $10.05 (assume BZX not on the NBO).

Order 1: Buy 100 at $10.06 – Displayed, Day, ISO. Order 1 is ranked and displayed at $10.06 pursuant to Rule 11.9(d) as there is no contra-side liquidity on the BZX Book to execute against upon entry. Order 1 is entered during Regular Trading Hours and persists in to the After Hours Trading Session.

Order 2: Buy 10,000 at $10.06 – Displayed, Multiple Price Slide. Order 2 is entered during the After Hours Trading Session.

RESULT: Order 2 is posted and displayed at $10.06 because Order 1 established the $10.06 price level during Regular Trading Hours pursuant to proposed Rule 11.9(d)(3).

Non-Displayed Order Sliding

In addition to the proposed changes to permit an ISO to be entered as a Non-Displayed Order, the Exchange also proposes to amend Rule 11.9(g)(4) ("Non-Displayed Order Sliding") to permit Users to elect multiple price sliding for Non-Displayed Orders. Currently, a Non-Displayed Order containing a price slide instruction that crosses the Protected Quotation of an away market will receive a new timestamp and will be ranked by the System at the locking price.[26] Once a Non-Displayed Order has been re-priced due to crossing the Protected Quotation of an away market, the Non-Displayed Order will not be re-priced by the System unless it is again crossing a Protected

[26] See Rule 11.9(g)(4).

Quotation of an away market.[27] The Exchange now proposes to amend Rule 11.9(g)(4) to allow a User to elect to have a Non-Displayed Order re-price each time the NBBO changes that would permit the order to be ranked at a more aggressive price without crossing a Protected Quotation of an external market and to clarify that a Non-Displayed Order will retain its original limit price irrespective of the price at which such Non-Displayed Order is ranked.

The Exchange proposes to delete the following language in Rule 11.9(g)(4): "Similarly, in the event the NBBO changes such that a Non-Displayed Order subject to display-price sliding or Price Adjust would cross a Protected Quotation of an external market, the order will receive a new timestamp, and will be ranked by the System at the locking price. In the event a Non-Displayed Order has been re-priced by the System pursuant to this sub-paragraph (4), such Non-Displayed order is not re-priced by the System unless it is again crossing a Protected Quotations (*sic*) of an external market."

The proposed revised language of Rule 11.9(g)(4) is as follows:

In order to avoid potentially trading through Protected Quotations of external markets, the Exchange offers price sliding for Non-Displayed Orders that upon entry cross a Protected Quotation of an external market that is functionally equivalent to the handling of displayable orders pursuant to the display-price sliding process except that such orders will not have a displayed price. Non-Displayed Orders that upon entry would cross the Protected Quotation of an external market and are subject to display-price sliding or Price Adjust are ranked at the locking price on entry. By default, a Non-Displayed Order that has been re-priced pursuant to this sub-paragraph (4) shall not be re-priced again unless the order's ranked price is again crossing the Protected Quotation of an external market. Notwithstanding the foregoing, a User may elect to have the System re-rank and

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[27] Id.

re-price a Non-Displayed Order each time the NBBO changes that would permit the order to be ranked at a more aggressive price without crossing a Protected Quotation of an external market, in which case the order shall be re-ranked at the most aggressive permissible price. Each time a Non-Displayed Order is re-priced, the order shall receive a new timestamp. A Non-Displayed Order will retain its original limit price irrespective of the price at which such order is ranked.

The Exchange has provided examples below of how a Non-Displayed Order subject to the proposed price sliding text would behave.

Example 5

The System will slide a Non-Displayed Order pursuant to proposed Rule 11.9(g)(4) based on User instruction.

NBBO: $10.00 x $10.05 (assume BZX not at NBO)

Order 1: Sell 100 at $10.06 – Non-Displayed.

Order 2: Sell 100 at $10.07 – Non-Displayed.

Order 3: Buy 600 at $10.07 – Non-Displayed, Day, Multiple Price Slide. Pursuant to proposed Rule 11.9(g)(4), Order 3's shares are posted to the BZX Book and ranked at a price of $10.05. Order 3's shares are not displayed.

NBBO Updated: $10.03 x $10.07

RESULT: When Order 3 arrives, its limit price of $10.07 crosses the Protected Quotation (offer at $10.05). Pursuant to current and proposed Rule 11.9(g)(4), Order 3 is therefore ranked at the locking price ($10.05) upon entry. After the change to the NBBO, the non-displayed nature of Order 3 allows it to lock the NBBO. Since Order 3 contains an instruction to slide multiple times, Order 3 is slid to a ranked price of $10.07 pursuant to proposed Rule 11.9(g)(4). Order 3 then trades 100 shares at $10.06 against Order 1 and 100 shares at $10.07 against Order 2. Order 3's remaining

400 shares are then posted to the BZX Book at a price of $10.07 pursuant to proposed Rule 11.9(g)(4).

Example 6

Non-Displayed Orders containing an ISO instruction will be permitted to execute up to their limit prices upon entry pursuant to proposed Rule 11.9(d) and then will re-price based on User instruction pursuant to proposed Rule 11.9(g)(4).

NBBO: $10.00 x $10.05 (assume BZX not at NBO)

Order 1: Sell 100 at $10.06 – Displayed.

Order 2: Buy 600 at $10.07 – Non-Displayed, Day, ISO, Multiple Price Slide.

RESULT: Order 2 trades 100 shares with Order 1 at a price of $10.06 pursuant to proposed Rule 11.9(d), which permits an ISO to be entered with a non-displayed instruction. Order 2's remaining 500 shares post to the BZX Book at the locking price of $10.05 pursuant to proposed Rule 11.9(g)(4). Assume the NBBO then updates to $10.03 x $10.07. Since Order 2 contained an instruction to re-price to more aggressive prices, Order 2 is then re-priced to the locking price of $10.07 pursuant to proposed Rule 11.9(g)(4).

The Exchange believes that the proposed changes, when viewed individually and holistically, serve to create a more valuable trading experience for market participants. In particular, the proposal expands the utility of an existing, well-established order type in a manner that is consistent with the regulatory framework underlying ISOs while also providing clear, transparent, and predictable rules governing the interaction between ISOs, other resting orders on the BZX Book, and new orders arriving to the BZX Book. Additionally, the Exchange's proposal to permit Non-Displayed Orders to re-price to more aggressive prices complements the Exchange's proposal to introduce Non-Displayed ISOs as it allows for Users to submit ISOs with

a non-displayed instruction and allow such orders to react to changing market conditions should those orders post to the BZX Book. Together, the proposed rule changes seek to provide additional options for market participants seeking to employ non-displayed trading strategies on the Exchange and provide additional clarity regarding the interaction between ISOs, resting orders on the BZX Book, and new orders arriving to the BZX Book.

Implementation

The Exchange proposes to implement the proposed functionality during the second half of 2026 and will announce the date via Trade Desk Notice.

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.[28] Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)[29] 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)[30] requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

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28 15 U.S.C. 78f(b).

29 15 U.S.C. 78f(b)(5).

30 Id.

In particular, the proposal expands the utility of an existing, well-established order type in a manner that is consistent with the regulatory framework underlying ISOs. Under Regulation NMS, a User submitting an ISO represents that it has simultaneously routed one or more additional limit orders to execute against the full displayed size of any Protected Quotation at prices superior to the limit price of the ISO. The Exchange's reliance on that representation is longstanding and well-understood. Permitting Users to enter ISOs with a non-displayed instruction does not alter or undermine that representation — Users remain fully responsible for their compliance with the requirements of Regulation NMS relating to ISOs. Rather, the proposal simply affords Users greater flexibility in the manner in which they choose to interact with the marketplace, consistent with the spirit and requirements of fair and orderly trading.

Additionally, a wide variety of trading strategies depend upon the ability to manage order flow in a non-displayed capacity. Many institutional and professional market participants have legitimate, lawful reasons to conceal the full extent of their trading interest, including to minimize market impact and to facilitate the efficient execution of large orders over time. The Exchange's current framework, which does not permit ISOs to be entered as Non-Displayed Orders, unnecessarily constrains Users who wish to employ such strategies. By removing this limitation, the Exchange promotes just and equitable principles of trade by enabling Users to more effectively implement their trading strategies across market centers in a manner that is consistent with applicable law.

The introduction of Non-Displayed ISOs directly enables Users to implement cross-market trading strategies that require both the Regulation NMS ISO framework and the ability to post residual order interest in a non-displayed capacity. Under the current rule framework, Users who wish to employ such strategies are unable to do so on the Exchange and may be required to

route order flow to competing venues that already offer comparable functionality. The inability to offer a Non-Displayed ISO order type thus creates a structural impediment — both to Users seeking to execute their strategies efficiently and to the Exchange's ability to compete effectively within the national market system. The Exchange notes that at least one other national securities exchange currently offers the ability to submit ISOs with a non-displayed instruction.[31] The Exchange's proposal to introduce Non-Displayed ISOs is therefore a competitive response that is consistent with the architecture of the national market system and does not introduce a novel order type.

The introduction of Non-Displayed ISOs is designed to protect investors and the public interest because the proposal enhances the ability of institutional and professional investors to efficiently execute large orders across multiple market centers without unduly signaling their trading interest to the market. The ability to manage market impact is an important dimension of best execution for investors with substantial order flow, and the Exchange's proposal promotes investor protection by affording these participants a tool that is already available on competing venues, thereby providing an equal opportunity for Users who trade on the Exchange to use a comparable order type.

The Exchange believes that its proposal to introduce Rules 11.9(d)(1) through (3), which describe the price level at which the System will consider an ISO available for other orders to be entered, similarly promotes just and equitable principles of trade and protects investors and the public interest by providing Users with clear, transparent, and predictable rules governing the interaction between ISOs, other resting orders on the BZX Book, and new orders arriving to the BZX Book.

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[31] Supra note 12.

Specifically, the delineation between Regular Trading Hours (during which the limit price of a displayed ISO will be considered available for both new orders to join and for resting orders to re-price based on User instruction) and off-hours sessions (during which the limit price of an ISO will not be considered available for new orders to join or for such re-pricing) reflects the materially different regulatory and market structure dynamics that apply during those sessions. During Regular Trading Hours, a User submitting a displayed ISO has represented compliance with Regulation NMS trade-through obligations with respect to Protected Quotations, thereby establishing a reliable price level to which resting orders may join. Outside of Regular Trading Hours, the absence of this same regulatory framework makes it inappropriate to use the ISO limit price as a reference point for resting order re-pricing. This distinction promotes just and equitable principles of trade by ensuring that order re-pricing behavior is tied to well-defined, appropriate, and lawful market conditions. By contrast, the Exchange's proposal that a Non-Displayed ISO will not trigger re-pricing of resting orders further promotes just and equitable principles of trade and protects investors and the public interest, as it would be inappropriate for a price level that is not publicly disseminated to serve as the basis for resting orders to obtain a new, more aggressive ranked price.

The Exchange further believes that its proposal to codify Rules 11.9(d)(1) through (3) removes impediments to and perfects the mechanism of a free and open market and national market system by providing explicit, rule-based transparency around the operation of ISOs on the BZX Book. Prior to this proposal, the Exchange’s rules did not expressly address the price level at which an ISO would be considered available for new orders to be entered or for resting orders to re-price. By codifying these rules with clear distinctions based on trading session and order type — including the treatment of ISOs during Regular Trading Hours versus off-hours

sessions and the handling of Non-Displayed ISOs — the Exchange removes ambiguity that could otherwise impede Users' ability to structure and implement their trading strategies effectively. Clear and predictable rules governing how ISOs interact with the BZX Book are fundamental to the proper functioning of a free and open market, as they allow market participants to understand with certainty how their orders will be handled and to make informed routing and execution decisions accordingly.

The Exchange believes that its proposal to amend Rule 11.9(g)(4) to permit Non-Displayed Orders to re-price multiple times based on User instruction promotes just and equitable principles of trade and protects investors and the public interest by providing Users with greater control over how their Non-Displayed Orders interact with the prevailing NBBO over time. Under current Rule 11.9(g)(4), a Non-Displayed Order that has been re-priced due to crossing a Protected Quotation of an away market may not be re-priced again unless it is again crossing a Protected Quotation. This restriction limits the ability of Non-Displayed Orders to respond dynamically to changing market conditions, potentially resulting in those orders being ranked at prices that no longer reflect optimal execution opportunities. By removing this limitation and permitting Non-Displayed Orders to receive a new timestamp and be ranked at the most aggressive permissible price following NBBO movement — subject to User instruction — the Exchange promotes just and equitable principles of trade and protects investors and the public interest by enabling more efficient price discovery and facilitating the execution of orders at prices that are consistent with current market conditions.

The Exchange further notes that the proposed Non-Displayed Order re-pricing behavior is consistent with the existing price sliding framework applicable to displayed orders and extends established principles to Non-Displayed Orders in a logical and equitable manner. Allowing

Non-Displayed Orders to slide multiple times does not confer any unfair advantage on Users who employ such orders; rather, it ensures that Non-Displayed Orders are handled in a manner that is commensurate with the flexibility already available to displayed orders. The Exchange also notes that the proposed re-pricing behavior for Non-Displayed Orders will be available to all Users on an equal and non-discriminatory basis, consistent with the requirements of Section 6(b)(5) of the Act.

The Exchange further believes that permitting Non-Displayed Orders to re-price multiple times removes impediments to and perfects the mechanism of a free and open market and national market system by allowing Non-Displayed Orders to respond more dynamically to changing NBBO conditions in a manner that maximizes execution opportunities for Users.

Under the current framework, a Non-Displayed Order that has been re-priced once will not be re-priced again until it is again crossing a Protected Quotation of an away market. This limitation means that, even as market conditions change and the NBBO moves in a direction that would permit the Non-Displayed Order to be ranked at a more aggressive permissible price, the order remains statically ranked at a potentially suboptimal price level. The proposed amendment — which allows Non-Displayed Orders to re-price multiple times following NBBO movement subject to User instruction — removes this impediment by ensuring that Non-Displayed Orders are always ranked at the most aggressive permissible price consistent with the prevailing NBBO and the User's order instructions. This enhances the liquidity available on the BZX Book, promotes more efficient price discovery, and contributes to the overall quality of the national market system.

All aspects of the proposed rule change — including the ability to enter Non-Displayed ISOs, the codified rules governing the price level at which an ISO is considered available for

other orders to be entered, and the expansion of Non-Displayed Order re-pricing to allow multiple re-pricings — are available to all Users of the Exchange on an equal and non-discriminatory basis. No User or class of Users is afforded preferential access to the proposed functionalities, and no User or class of Users is disadvantaged or excluded from utilizing the proposed order types and instructions.

Further, participation in any of the proposed functionalities is entirely voluntary. No User is required to enter ISOs as Non-Displayed Orders or to designate Non-Displayed Orders with the ability to re-price multiple times. The decision to utilize any of the proposed features is left entirely to the discretion of individual Users, who are in the best position to determine which order types and instructions are appropriate for their given trading strategies. Because the proposed functionalities are uniformly available to all Users on the same terms and conditions, and because participation is wholly optional, the proposed rule change does not permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange further notes that the proposed rule change does not impose any new requirements or obligations on Users who do not wish to utilize the proposed functionalities. Users who prefer to continue entering ISOs as displayed orders, or who prefer to continue submitting Non-Displayed Orders without a multiple re-price instruction, may do so without any change to their current order handling. The proposed rule change thus expands the range of choices available to all Users on an equal basis without restricting or altering the rights of any User who elects not to take advantage of the proposed features.

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 intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. To the contrary, the Exchange's proposal to introduce a Non-Displayed ISO is a

competitive response to a similar order type offered on at least one other exchange. As with other national securities exchanges, the Exchange must continually assess and improve its offerings to compete with other exchanges and market centers. The proposed rule change is indicative of this competition. The Exchange does not believe that its proposal to codify Rules 11.9(d)(1) through (3), which describe the price level at which the System will consider an ISO available for other orders to be entered, imposes any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. These rules are operational and clarifying in nature and are not being introduced for competitive purposes. Further, the Exchange does not believe that the proposal to amend Rule 11.9(g)(4) to permit Non-Displayed Orders to re-price multiple times based on User instruction imposes any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. Permitting Non-Displayed Orders to respond dynamically to changing NBBO conditions - by re-pricing to the most aggressive permissible price following each relevant NBBO movement, subject to User instruction - improves the execution quality available on the Exchange for Non-Displayed Orders, making the Exchange a more attractive venue for market participants who rely upon such orders.

Additionally, the Exchange does not believe that the proposed rule changes would implicate any intramarket competitive concerns with respect to its Users. The proposed rule change to permit Users to enter an ISO with a non-displayed instruction and proposed rule change to enable Users to elect to permit Non-Displayed Orders to re-price multiple times are completely voluntary and available to all Users on an equal and non-discriminatory basis. Rather than impede competition, the proposed rule changes would provide an additional order type and order instruction for Users to facilitate their trading goals. Furthermore, the proposed rule change

to codify Rules 11.9(d)(1) – (3) is not being introduced for competitive reasons and serves only to provide additional details about the price levels at which orders may be accepted and re-price.

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

Within 45 days of the date of publication of this notice in the Federal Register or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Exchange consents, the Commission will:

A. by order approve or disapprove such proposed rule change, or

B. institute proceedings to determine whether the proposed rule change should be 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. Please include file number SR-CboeBZX-2026-053 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-2026-053. 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-2026-053 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.[32]

Vanessa A. Countryman,

Secretary.

[32] 17 CFR 200.30-3(a)(12).