SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-106077; File No. SR-CboeBZX-2026-062]

Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Introduce a Small Retail Broker Distribution Program for the BZX Top Data Feed

August 11, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),[1] and Rule 19b-4 thereunder,[2] notice is hereby given that on August 3, 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. ("BZX" or the "Exchange") is filing with the Securities and Exchange Commission (the "Commission") a proposed rule change to introduce a Small Retail Broker Distribution Program for the BZX Top Data Feed. The text of the proposed rule change is provided in Exhibit 5.

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.

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

2 17 CFR 240.19b-4.

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 purpose of the proposed rule change is to introduce a pricing program (the "Small Retail Broker Distribution Program" or the "Program") that would allow Small Retail Brokers that purchase the BZX Top Data Feed ("BZX Top Feed") — to receive a discounted External Distribution Fee. Specifically, the Program would allow for a discounted monthly External Distribution Fee of $2,000 (the standard External Distribution fee is $2,500/month).[3]

By way of background, the Exchange offers the BZX Top Feed, which is a data feed that offers top-of-book quotations and last sale information based on orders entered into the Exchange's System. The BZX Top Feed benefits investors by facilitating their prompt access to real-time top-of-book information contained in BZX Top Feed. The Exchange's affiliated equities exchanges (i.e., Cboe EDGA Exchange, Inc. ("EDGA"), Cboe BYX Exchange, Inc. ("BYX"), and Cboe EDGX Exchange, Inc. ("EDGX") (collectively, "Affiliates" and together with the Exchange, "Cboe Equities Exchanges")) also offer similar top-of-book data feeds based on their own quotation and trading activity that is substantially similar to the information

[3] See BZX Equities Fee Schedule.

provided by the Exchange through the BZX Top Feed. The Exchange also offers the Cboe One Summary Data Feed, which disseminates, on a real-time basis, the aggregate best bid and offer of all displayed orders for securities traded on BZX and its Affiliates, and which is created using the data from the Exchange and its Affiliates' Top data feeds.

The Exchange previously introduced a Small Retail Broker Distribution Program for the Cboe One Summary Feed to allow Small Retail Brokers to benefit from a discounted External Distribution Fee.[4] More recently, the Exchange adopted a Small Retail Broker Hosted Solutions Program for Cboe One Summary Data and increased the Non-Professional Data User maximum for the existing Small Retail Broker Program for the Cboe One Summary Feed from 5,000 Non-Professional Users to 10,000.[5] Consistent with the objectives of those prior programs, the Exchange now proposes to establish an analogous Small Retail Broker Distribution Program that applies specifically to the BZX Top Feed, so that Small Retail Brokers that subscribe to the Exchange's single-market top of book product — rather than the consolidated Cboe One Summary Feed — may likewise benefit from reduced pricing.

Small Retail Broker Eligibility Requirements

The Exchange notes that the same Small Retail Broker criteria currently in place for the Small Retail Broker programs for Cboe One Summary[6] will also apply here. Namely, a Distributor would have to meet the following criteria:

(1) Distributor is a broker-dealer distributing BZX Top Feed to Non-Professional Data Users with whom the broker-dealer has a brokerage relationship;

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4 See Securities Exchange Act Release No. 88218 (February 14, 2020), 85 FR 9827 (February 20, 2020) (SR-CboeBZX-2020-014).

5 See Securities Exchange Act Release No. 104280 (December 1, 2025), 90 FR 55949 (December 4, 2025) (SR-CboeBZX-2025-145).

6 See BZX Equities Fee Schedule.

(2) At least 90% of the Distributor's total subscriber population must consist of Non-Professional subscribers, inclusive of any subscribers not receiving BZX Top Feed; and

(3) Distributor distributes BZX Top Feed to no more than 10,000 Non-Professional Data Users.

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.[7] Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)[8] 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 Section 6(b)(4) of the Act,[9] which requires that Exchange rules provide for the equitable allocation of reasonable dues, fees, and other charges among its Members and other persons using its facilities.

The Exchange operates in a highly competitive environment. Indeed, there are seventeen registered national securities exchanges that trade U.S. equities and offer associated top of book market data products to their customers. The national securities exchanges also compete with the

7 15 U.S.C. 78f(b).

8 15 U.S.C. 78f(b)(5).

9 15 U.S.C. 78f(b)(4).

Securities Information Processors ("SIPs") for market data customers. The Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. Specifically, in Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and, also, recognized that current regulation of the market system "has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies."[10] The proposed fee change is a result of the competitive environment, as the Exchange seeks to amend its fees to attract additional subscribers for its BZX Top Feed.

The proposed fee change would reduce the External Distribution Fee charged to Small Retail Brokers that provide access to the BZX Top Feed. By providing lower cost access to U.S. equity market data, the BZX Top Feed benefits a wide range of investors that participate in the national market system. Reducing fees for broker-dealers that represent retail investors and that may have more limited resources than some of their larger competitors would further increase access to such data and facilitate a competitive market for U.S. equity securities, consistent with the goals of the Act.

While the Exchange is not required to make any data, including top of book data, available, the Exchange believes that making such data available increases investor choice, and contributes to a fair and competitive market. Making alternative products available to market participants ultimately ensures increased competition in the marketplace, and constrains the ability of exchanges to charge supracompetitive fees. In the event that a market participant views

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[10] See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005) ("Regulation NMS Adopting Release").

one exchange's top of book data fees as more or less attractive than the competition, they can and frequently do switch between competing products. In fact, the competitiveness of the market for such top of book data products is one of the primary factors animating this proposed rule change, which is designed to allow the Exchange to further compete for this business.

The Exchange believes that the proposed fees are reasonable as they represent a cost reduction for smaller retail brokers that provide top of book data from BZX to their retail users. The market for top of book data is intensely competitive due to the availability of substitutable products that can be purchased either from other national securities exchanges or from the SIPs. The proposed fee reduction is being made to make the Exchange's fees more competitive with such offerings for this segment of market participants, thereby increasing the availability of the Exchange's data products, and expanding the options available to firms making data purchasing decisions based on their business needs. The Exchange believes that this is consistent with the principles enshrined in Regulation NMS to "promote the wide availability of market data and to allocate revenues to SROs that produce the most useful data for investors."[11]

The Exchange also believes that the proposed fees are equitable and not unfairly discriminatory, as the proposed fee structure is designed to decrease the price and increase the availability of U.S. equities market data to retail investors. While this Program would be effectively limited to smaller firms in accordance with the proposed eligibility requirements, the Exchange does not believe that this limitation makes the fees inequitable or unfairly discriminatory. The Exchange notes that large broker-dealers and/or vendors that distribute the Exchange's data products to a sizeable number of investors benefit from the current fee structure, which includes a flat fee for an Enterprise license (which is paid in lieu of per User fees,

[11] See Regulation NMS Adopting Release, supra, at 37503.

benefiting those with a larger User population). Due to lower subscriber fees, distributors that provide the BZX Top Feed to a larger number of Users already enjoy cost savings. The Program, in addition to the existing Small Retail Broker Distribution Program for Cboe One Summary, would therefore continue to ensure that Small Retail Brokers that distribute top of book data to their retail investor customers could also benefit from reduced pricing, and would aid in increasing the competitiveness of the Exchange's data products for this key segment of the market.

The Commission has long stressed the need to ensure that the equities markets are structured in a way that meets the needs of ordinary investors. For example, the Commission's strategic plan for fiscal years 2018-2022 touts "focus on the long-term interests of our Main Street investors" as the Commission's number one strategic goal.[12] The Program would be consistent with the Commission's stated goal of improving the retail investor experience in the public markets. Furthermore, national securities exchanges commonly charge reduced fees and offer market structure benefits to retail investors, and the Commission has consistently held that such incentives are consistent with the Act. The Exchange believes that the Program is consistent with longstanding precedent — including the Exchange's own Small Retail Broker programs for the Cboe One Summary Feed — indicating that it is consistent with the Act to provide reasonable incentives to retail investors that rely on the public markets for their investment needs.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change would result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The

[12] See U.S. Securities and Exchange Commission, Strategic Plan, Fiscal Years 2018-2022, available at https://www.sec.gov/files/SEC_Strategic_Plan_FY18-FY22_FINAL_0.pdf.

Exchange operates in a highly competitive environment, and its ability to price these data products is constrained by: (i) competition among exchanges that offer similar data products to their customers; and (ii) the existence of inexpensive real-time consolidated data disseminated by the SIPs. Top of book data is disseminated by both the SIPs and the seventeen equities exchanges. There are therefore a number of alternative products available to market participants and investors. In this competitive environment, potential subscribers are free to choose which competing product to purchase to satisfy their need for market information. Often, the choice comes down to price, as broker-dealers or vendors look to purchase the cheapest top of book data product, or quality, as market participants seek to purchase data that represents significant market liquidity. In order to better compete for this segment of the market, the Exchange is proposing to reduce the cost of top of book data for Small Retail Brokers. The Exchange believes that this would facilitate greater access to such data, ultimately benefiting the retail investors that are provided access to such market data.

The Exchange does not believe that the proposed reduction in fees for Small Retail Brokers would cause any unnecessary or inappropriate burden on intramarket competition. Although the proposed fee discount is limited to Small Retail Brokers, large broker-dealers and/or vendors that distribute the Exchange's data products to a sizeable number of users benefit from the current fee structure, which includes an Enterprise license. Due to lower subscriber fees, distributors that provide the Applicable Feed to a large number of Users already enjoy cost savings. In light of the benefits already provided to this group of subscribers, the Exchange believes that additional discount to Small Retail Brokers would increase rather than decrease competition among broker-dealers that participate on the Exchange. Furthermore, as discussed earlier in this proposed rule change, the Exchange believes that offering pricing benefits to

brokers that represent retail investors facilitates the Commission's mission of protecting ordinary investors, and is therefore consistent with the Act.

The Exchange does not believe that the proposed price reduction would cause any unnecessary or inappropriate burden on intermarket competition, as other exchanges and data vendors are free to lower their prices to better compete with the Exchange's offering. Indeed, as explained in the basis section of this proposed rule change, the Exchange's decision to lower its External Distribution Fee for Small Retail Brokers is itself a competitive response to different fee structures available on competing markets. The Exchange therefore believes that the proposed rule change is pro-competitive, as it seeks to offer pricing incentives to customers to better position the Exchange as it competes to attract additional market data subscribers.

For the foregoing reasons, the Exchange believes that the proposed rule change will relieve any burden on, or otherwise promote, competition.

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[13] and paragraph (f) of Rule 19b-4[14] 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

[13] 15 U.S.C. 78s(b)(3)(A).

[14] 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. Please include file number SR-CboeBZX-2026-062 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-2026-062. 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-2026-062 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.[15]

J. Matthew DeLesDernier,

Deputy Secretary.

[15] 17 CFR 200.30-3(a)(12).