SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-106231; File No. SR-CboeEDGX-2026-045]

Self-Regulatory Organizations; Cboe EDGX Exchange, Inc.; Order Granting Approval of Proposed Rule Change to Amend Rules Regarding Intermarket Sweep Orders

August 28, 2026.

I. Introduction

On June 5, 2026, Cboe EDGX Exchange, Inc. ("Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")[1] and Rule 19b-4 thereunder,[2] a proposed rule change (a) to amend Exchange Rule 11.8(c) to: i) permit an Intermarket Sweep Order ("ISO") to be entered as a non-displayed order and ii) to establish the price level at which the System[3] will consider an ISO available for other orders to be entered and (b) to amend Exchange Rule 11.6(l)(3) to permit non-displayed orders to re-price to more aggressive prices. The proposed rule change was published for comment in the Federal Register on June 24, 2026.[4] On July 24, 2026, pursuant to Section 19(b)(2) of the Act,[5] the Commission designated a longer period within which to determine whether to disapprove the proposed rule change.[6] This order approves the proposed rule change.

II. Description of the Proposal

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

2 17 CFR 240.19b-4.

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

4 See Securities Exchange Act Release No. 105726 (June 18, 2026), 91 FR 38054 ("Notice"). The Commission has not received any comment letters on the proposed rule change.

5 15 U.S.C. 78s(b)(2).

6 See Securities Exchange Act Release No. 105982, 91 FR 47864 (July 29, 2026).

As part of its suite of order types, the Exchange currently offers Users the ability to enter ISOs, which are limit orders for a National Market System stock ("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).[7] Currently, the Exchange does not permit ISOs to be entered with a Non-Displayed instruction.[8]

The Exchange proposes to amend Exchange Rule 11.8(c) to: i) permit an Intermarket Sweep Order to be entered as a Non-Displayed Order and ii) to establish when the System will consider the limit price of an ISO to be available for other orders to be entered or to re-price to that price level. The Exchange also proposes to amend Exchange Rule 11.6(l)(3) to permit Non-Displayed Orders to re-price to more aggressive prices.[9]

Intermarket Sweep Orders

The Exchange proposes to amend Exchange Rule 11.8(c) to permit an ISO to be entered as a displayed order or as a Non-Displayed Order (a "Non-Displayed ISO").[10] Additionally, the Exchange proposes to introduce Exchange Rules 11.8(c)(8)(A) – (C) that establish when the System will consider the limit price of an ISO to be available for other orders to be entered or to re-price to

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7 See Notice, supra note 4, 91 at 38054. See also Regulation NMS Rule 600(b)(47).

8 See Exchange Rule 11.6(e)(2). A Non-Displayed instruction is an instruction the User may attach to an order stating that the order is not to be displayed by the System on the EDGX Book ("Non-Displayed Order").

9 See Notice, supra note 4, 91 at 38054.

10 See id.

that price level. Proposed Exchange Rule 11.8(c)(8)(A) would provide that upon receipt of an ISO during Regular Trading Hours,[11] the System will consider the limit price of the ISO to be available for new orders to be entered at that price level.[12] 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 or the ISO contains a Non-Displayed instruction.[13]

Proposed Exchange Rule 11.8(c)(8)(B) would provide that upon receipt of an ISO during the Early Trading Session,[14] Pre-Opening Session,[15] or Post-Closing Session,[16] 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.[17]

Proposed Exchange Rule 11.8(c)(8)(C) would provide that notwithstanding subparagraphs (A) and (B), 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 Post-Closing Session.[18] 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

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

12 See Notice, supra note 4, 91 FR at 38055.

13 See id.

14 See Exchange Rule 1.5(jj). The term "Early Trading Session" means the time between 4:00 a.m. and 8:00 a.m. Eastern Time.

15 See Exchange Rule 1.5(s). The term "Pre-Opening Session" means the time between 8:00 a.m. and 9:30 a.m. Eastern Time.

16 See Exchange Rule 1.5(r). The term "Post-Closing Session" means the time between 4:00 p.m. and 8:00 p.m. Eastern Time.

17 See Notice, supra note 4, 91 FR at 38055.

18 See id.

User instruction if such order remains eligible for execution during Regular Trading Hours or during the Post-Closing Session.[19]

Non-Displayed Order Sliding

The Exchange also proposes to amend Exchange Rule 11.6(l)(3) ("Re-Pricing of Non-Displayed Orders") to permit Users to elect multiple price sliding for Non-Displayed Orders. Currently, a Non-Displayed Order containing a Display-Price Sliding instruction[20] that would cross the Protected Quotation of an external market will receive a new timestamp and will be ranked by the System at the Locking Price and would not be re-priced by the System unless it is again crossing a Protected Quotation of an away market.[21] The Exchange proposes to amend Exchange Rule 11.6(l)(3) to allow a User to elect to have a Non-Displayed Order re-price each time the NBBO changes and receive a new timestamp, permitting the order to be ranked at a more aggressive price without crossing a Protected Quotation of an external market. The proposal would also clarify that a Non-Displayed Order will retain its original limit price irrespective of the price at which such Non-Displayed Order is ranked.[22]

III. Discussion and Commission Findings

After careful review, the Commission finds that the proposed rule change is consistent with the Act and rules and regulations thereunder applicable to a national securities exchange.[23] In

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19 See id.

20 See Exchange Rule 11.6(l)(1)(B). A "Display-Price Sliding" instruction requires that where an order would be a Locking Quotation or Crossing Quotation of an external market if displayed by the System on the EDGX Book at the time of entry, the order will be ranked at the Locking Price in the EDGX Book and displayed by the System at one Minimum Price Variation lower (higher) than the Locking Price for orders to buy (sell).

21 See Notice, supra note 4, 91 FR at 38056. See also id., n. 27. The "Locking Price" is the price at which an order to buy (sell), that if displayed by the System on the EDGX Book, either upon entry into the System, or upon return to the System after being routed away, would be a Locking Quotation.

22 See Notice, supra note 4, 91 FR at 38056.

23 15 U.S.C. 78s.

particular, the Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act,[24] which requires, among other things, that the Exchange's rules be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, 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 and are not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

Permitting ISOs to be submitted with a Non-Displayed instruction will provide market participants with more flexibility in accomplishing their trading strategies and will enable Users to more effectively implement their trading strategies across market centers. Other national securities exchanges currently offer this function.[25] The Exchange's proposed introduction of Rules 11.8(c)(8)(A) – (C) would provide clarity regarding the System's consideration of the limit price of an ISO in different trading sessions. The Exchange's proposal to permit orders with a Non-Displayed instruction to re-price multiple times based on User instruction may allow more execution opportunities and increased liquidity at prices consistent with prevailing market conditions, which may promote more efficient price discovery.

For these reasons, the Commission finds the proposed rule change is consistent with Section 6(b)(5) of the Act[26] and the rules and regulations thereunder applicable to a national securities exchange.

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24 15 U.S.C. 78s(b)(5).

25 See Notice, supra note 4, 91 FR at 38055 (citing The Nasdaq Stock Market LLC's Equity Rule 4, Rule 4702(b)(3)(C), which states that a Non-Displayed Order may be designated as an ISO). See also Nasdaq Texas, LLC's Equity Rule 4, Rule 4702(3)(C); Nasdaq PHLX LLC's Equity Rule 4, Rule 3301A(b)(3)(C).

26 15 U.S.C. 78s(b)(5).

IV. Conclusion

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Exchange Act,[27] that the proposed rule change (SR-CboeEDGX-2026-045) be, and hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[28]

Sherry R. Haywood,

Assistant Secretary.

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27 15 U.S.C. 78s(b)(2).

28 17 CFR 200.30-3(a)(12).