SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-106562; File No. SR-CboeBZX-2026-078]

Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend Exchange Rule 22.6

October 1, 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 September 24, 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 and II 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 ("Commission" or "SEC") a proposed rule change to amend Exchange Rule 22.6 (Market Maker Quotations) to provide that the $5 maximum bid/ask differential will apply to options series expiring in 270 days or less, and a $15 maximum bid/ask differential will apply to options series expiring in more than 270 days. 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

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

2 17 CFR 240.19b-4.

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 amend Rule 22.6(c) to add a time-to-expiration tier to the existing bid/ask differential requirements for Market Maker quotes.

The Exchange previously adopted bid/ask differential requirements for Market Maker quotes under Rule 22.6(c) in a recent rule filing.[3] The Prior Filing established a single general maximum bid/ask differential of $5 regardless of the Market Maker's bid, applicable to all options series without regard to time to expiration. The Exchange now proposes to amend Rule 22.6(c) to conform to the approach in Cboe Options Rule 5.52(c), under which the $5 maximum bid/ask differential applies to options series expiring in 270 days or less, and a $15 maximum applies to options series expiring in more than 270 days.

The use of time to expiration as a variable in bid/ask differential requirements is an established concept across options exchanges. Cboe Options Rule 5.52(c) uses a 270-day

[3] See Securities Exchange Act Release No. 106206 (August 27, 2026) 91 FR 56250 (September 1, 2026) (SR-CboeBZX-2026-067) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Exchange Rule 22.6 (Market Maker Quotations) To Adopt Two-Sided Quote Bid/Ask Differentials) (the "Prior Filing").

threshold, under which a $5 maximum bid/ask differential applies to options series expiring in 270 days or less, and a $15 maximum applies to options series expiring in more than 270 days. Similarly, ISE Options 2, Section 4(b)(4) provides that bid/ask differentials do not apply to options series until the time to expiration is less than nine months (approximately 270 days), and Phlx Options 4A, Section 12(b)(2)(i) similarly provides that bid/ask differential rules shall not apply to index long-term option series until the time to expiration is less than twelve months.

The Exchange believes the proposed general bid/ask differentials of $5 for options series expiring in 270 days or less and $15 for options series expiring in more than 270 days are reasonable and appropriate. The $5 differential for shorter-dated series is sufficiently wide to accommodate normal market conditions and volatility while preventing Market Makers from entering quotes that are so wide as to provide no meaningful liquidity. The wider $15 differential for longer-dated series (i.e., those with more than 270 days to expiration) accounts for the reduced liquidity, wider theoretical values, and greater uncertainty associated with long-term options.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Act and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.[4] Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)[5] 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,

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

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

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)[6] requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange believes that adding a time-to-expiration tier to the existing bid/ask differential requirements promotes just and equitable principles of trade and removes impediments to and perfects the mechanism of a free and open market and a national market system. The amendment conforms to Cboe Options Rule 5.52(c), and will enhance the quality of markets on BZX Options by establishing bid/ask differential requirements calibrated to the differing liquidity characteristics and pricing uncertainty across options series with varying times to expiration. Specifically, by establishing a general maximum permissible width of $5 (for options series expiring in 270 days or less) and $15 (for options series expiring in more than 270 days) between a Market Maker's bid and offer, the Exchange believes the proposal will improve market quality by providing investors with more meaningful execution opportunities and contributing to more efficient price discovery.

As discussed above, the Exchange believes the proposed bid/ask differentials are reasonable and appropriate. The $5 differential for shorter-dated series accommodates normal market conditions while preventing excessively wide quotes. The wider $15 differential for longer-dated series accounts for the reduced liquidity, wider theoretical values, and greater uncertainty associated with long-term options. The use of time to expiration as a variable in

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[6] Id.

bid/ask differential requirements is an established concept across options exchanges, including Cboe Options Rule 5.52(c), ISE Options 2, Section 4(b)(4), and Phlx Options 4A, Section 12(b)(2)(i).

The amended, tiered bid/ask differential requirements will apply uniformly to all Market Makers on BZX Options based on the applicable time to expiration. The proposal therefore does not permit unfair discrimination among Market Makers and applies the same $5 and $15 maximums on the same basis to similarly situated options series. For the foregoing reasons, the Exchange believes the proposal is consistent with the Act.

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 that the proposed rule change will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because the amended, tiered bid/ask differential requirements will apply uniformly to all Market Makers on BZX Options. The $5 and $15 maximums will be determined by the same time-to-expiration framework for all Market Makers.

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 because the proposed time-to-expiration tier conforms to Cboe Options Rule 5.52(c) and is consistent with the quote width frameworks of other options exchanges, including ISE and Phlx. By adopting bid/ask differential requirements consistent with those of other options exchanges, Market Makers on the Exchange will be subject to comparable bid/ask differential requirements as market-makers on other markets.

For the foregoing reasons, the Exchange does not believe the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

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 written comments on the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act[7] and subparagraph (f)(6) of Rule 19b-4 thereunder.[8]

At any time within 60 days of the filing of such 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 Commission takes such action, the Commission shall institute proceedings under Section 19(b)(2)(B)[9] of the Act to determine whether the proposed rule change should be approved or disapproved.

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7 15 U.S.C. 78s(b)(3)(A)(iii).

8 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

9 15 U.S.C. 78s(b)(2)(B).

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-2026-078 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-2026-078. 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-2026-078 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.[10]

Sherry R. Haywood,

Assistant Secretary.

[10] 17 CFR 200.30-3(a)(12).