SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-93134; File No. SR-CBOE-2021-055)

September 27, 2021

Self-Regulatory Organizations; Cboe Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend Rule 4.13 to Allow the Exchange to List up to 12 Standard Monthly Expirations for Certain Index Options

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 22, 2021, Cboe Exchange, Inc. (the "Exchange" or "Cboe Options") 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 Exchange filed the proposal as a "non-controversial" proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act[3] and Rule 19b-4(f)(6) thereunder.[4] 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 Exchange, Inc. (the "Exchange" or "Cboe Options") proposes to amend Rule 4.13 to allow it to list up to 12 standard monthly expirations for certain index options. The text of the proposed rule change is provided in Exhibit 5.

The text of the proposed rule change is also available on the Exchange's website (http://www.cboe.com/AboutCBOE/CBOELegalRegulatoryHome.aspx), at the Exchange's Office of the Secretary, and at the Commission's Public Reference Room.

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

2 17 CFR 240.19b-4.

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

4 17 CFR 240.19b-4(f)(6).

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 4.13 to allow it to list up to 12 standard monthly expirations for Mini-Russell 2000 Index ("Mini-RUT" or "MRUT") and Mini-S&P 500 Index ("Mini-SPX" or "XSP") options. Currently, Rule 4.13(a) provides that the Exchange may list up to 12 standard monthly expirations at any one time for any class that the Exchange (as the Reporting Authority) uses to calculate a volatility index and for CBOE S&P 500 AM/PM Basis, EAFE, EM, FTSE Emerging, FTSE Developed, FTSE 100, China 50, S&P Select Sector Index (SIXM, SIXE, SIXT, SIXV, SIXU, SIXR, SIXI, SIXY, SIXB, and SIXRE, and SIXC), and S&P 500 ESG Index options. For all other index options, including MRUT and XSP options, the Exchange may list up to six standard monthly expirations at any one time. In addition to this, the Exchange also proposes to amend Rule 4.13(a) to explicitly allow it to list up to 12 standard monthly expirations for S&P 500 Index ("SPX") and Russell 2000 Index ("RUT") options. The Exchange uses SPX options to calculate the Cboe Volatility Index ("VIX") and RUT options to calculate the Cboe Russell 2000 Volatility Index ("RVX"). As stated, Rule 4.13(a) allows the Exchange to list up to 12 standard monthly expirations at any one time for any class that the Exchange (as the Reporting Authority) uses to calculate a volatility index. Therefore, the

Exchange may currently list up to 12 standard monthly expirations for SPX and RUT options.[5] The proposed rule change simply amends Rule 4.13(a) to explicitly iterate in the Rule that SPX and RUT are index options for which the Exchange may list up to 12 standard monthly expirations; that is, notwithstanding the Exchange's use of such options to calculate volatility indexes.

The Exchange proposes to amend Rule 4.13(a) to permit the same number of monthly expirations (up to 12) for XSP and MRUT options as currently permitted for the corresponding full-value index options, SPX and RUT options, respectively.[6] More specifically, XSP options are options on the Mini-SPX Index, the value of which is 1/10th the value of the SPX, and MRUT options are options on the Mini-RUT Index, the value of which is 1/10th the value of the RUT Index. The Mini-SPX and Mini-RUT Index contain the same stocks with the same weightings as the corresponding full-value index (SPX and RUT Index, respectively) and are calculated in the same manner as the corresponding full-value index, with the exception of being 1/10th the value of the corresponding full-value index. Accordingly, market participants may use both XSP and SPX options as a hedging vehicle to meet their investment needs in connection with SPX Index-related products and cash positions and, likewise, may use both MRUT and RUT options to meet their investment needs in connection with RUT Index-related products and cash positions. Because of the relation between these reduced-value indexes and the related

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5 The Exchange notes that it currently lists eight standard monthly expirations for RUT options and 12 standard monthly expirations for SPX options.

6 The Exchange notes that it currently lists P.M.-settled standard third-Friday-of-the-month MRUT and XSP options pursuant to the Exchange's P.M. Pilot Program. See Interpretation and Policy .13 to Rule 4.13. The Exchange does not currently list A.M.-settled standard third-Friday-of-the-month MRUT or XSP options.

full-value indexes, the Exchange believes it is appropriate to permit the Exchange to be able to list the same number of monthly expirations for XSP and MRUT options as SPX and RUT options, respectively.

In addition to this, and as described above, pursuant to Rule 4.13(a), the Exchange may already list up to 12 standard monthly expirations for SPX and RUT options as each is currently used to calculate a volatility index for which the Exchange is the Reporting Authority. The proposed rule change merely amends Rule 4.13(a) to explicitly iterate in the Rule that S&P 500 Index and Russell 2000 Index options are index options for which the Exchange may list up to 12 standard monthly expirations; that is, notwithstanding the Exchange's use of such index options in its calculations for volatility indexes.

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

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

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

is consistent with the Section 6(b)(5)[9] requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange believes the proposed rule change to allow the Exchange to list up to 12 standard monthly expirations for XSP and MRUT options[10] will remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, protect investors, because it will allow the Exchange to be able to list the same number of expirations for these reduced-value index options as it currently may for the corresponding full-value index options. The Exchange notes that because the same components comprise the SPX and Mini-SPX indexes and, likewise, the RUT and Mini-RUT indexes, market participants may use each reduced-value index option as a hedging vehicle to meet their investment needs in connection with the corresponding full-value index-related products and cash positions. Therefore, by allowing the Exchange to be able to list a consistent number of expirations between full- and reduced-value options on the SPX Index and on the RUT Index, the proposed rule change will benefit investors by assisting them in more effectively using options that track the same index to meet their investment needs. Further, the proposed rule change to update Rule 4.13(a) to explicitly iterate in the Rule that SPX and RUT options are index options for which the Exchange may list up to 12 standard monthly expirations will remove impediments to and perfect the mechanism of a free and open market and national market system by updating the Rule to be more explicit in connection with the number of monthly expirations that the Exchange is already permitted to list for SPX and RUT options pursuant to Rule 4.13(a) (as the Exchange

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9 Id.

10 See supra note 6.

uses both index options to calculate a volatility index).[11] The Exchange notes that the ability to list up to 12 standard monthly expirations for XSP, MRUT, SPX and RUT options, each of which is an exclusively listed, broad-based option, is consistent with the number of monthly expirations that the Exchange is currently permitted to list for other exclusively-listed, broad-based index options pursuant to Rule 4.13(a), also notwithstanding their use in a volatility index calculation.

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 as any and all monthly expirations listed for XSP, MRUT, SPX and RUT options will be equally available, or continue to be equally available (as is the case regarding the proposed rule change in connection with SPX and RUT options) to all market participants who trade such options, and the proposed number of expirations will apply, or continue to apply, in the same manner to all XSP, MRUT, SPX and RUT options. The proposed rule change makes it possible for the same expirations to be listed for reduced-value index that are currently available for full-value indexes.

The Exchange does not believe that the proposed rule change regarding the number of standard monthly expirations permissible for XSP, MRUT, SPX and RUT options, will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because options on all such indexes are proprietary Exchange products. To the extent that allowing up to 12 standard monthly expirations for XSP and MRUT options (or

[11] See supra note 5.

SPX and RUT options, as is currently the case) trading on the Exchange may make the Exchange a more attractive marketplace to market participants at other exchanges, such market participants are free to elect to become market participants on the Exchange. As noted above, the Exchange believes being able to list a consistent number of expirations between full- and reduced-value options on the SPX Index and on the RUT Index may permit investors to more effectively use options that track the same index to meet their investment needs.

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 proposal.

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 from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act[12] and Rule 19b-4(f)(6) thereunder.[13]

A proposed rule change filed pursuant to Rule 19b-4(f)(6) under the Act[14] normally does not become operative for 30 days after the date of its filing. However, Rule 19b-4(f)(6)(iii)[15] permits the Commission to designate a shorter time if such action is consistent with the

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12 15 U.S.C. 78s(b)(3)(A).

13 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) 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.

14 17 CFR 240.19b-4(f)(6).

15 17 CFR 240.19b-4(f)(6)(iii).

protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay. The proposed rule change is composed of two parts. First, the Exchange proposes to include the ticker symbols for SPX and RUT in the rule and states that doing so does not raise any new issues as both index options are already covered by the rule because both are used in a volatility index calculation. Thus, the first change amends Cboe Rule 4.13(a) to explicitly identify by ticker state in the rule that SPX and RUT are index options for which the Exchange may list up to 12 standard monthly expirations. Second, the Exchange proposes to amend Cboe Rule 4.13 to permit it to list up to 12 standard monthly expirations for XSP and MRUT, whereas it can currently list up to 6 standard monthly expirations for those products. Accordingly, the proposal will allow the Exchange to list the same number of monthly expirations (12) for XSP and MRUT as is currently permitted for the corresponding full-value index options, SPX and RUT, respectively. The Commission believes that waiver of the 30-day operative delay is consistent with the protection of investors and the public interest because the first part of the proposal does not make any substantive change or raise any new issues and the second part of the proposal will allow the Exchange to list, for the reduced-value index options, the same number of standard monthly expirations as are available for the corresponding full-value index options, thus allowing the Exchange to accommodate customer demand for index options based on the same underlying indexes. Therefore, the Commission hereby waives the operative delay and designates the proposal as operative upon filing.[16]

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

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16 For purposes only of waiving the 30-day operative delay, the Commission also has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

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 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 (http://www.sec.gov/rules/sro.shtml); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-CBOE-2021-055 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-CBOE-2021-055. This file number should be included on the subject line if e-mail 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 (http://www.sec.gov/rules/sro.shtml). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-CBOE-2021-055 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[17]

J. Matthew DeLesDernier
Assistant Secretary

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