

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-106786; File No. SR-C2-2026-028]

Self-Regulatory Organizations; Cboe C2 Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Introduce Enhancements to the Missed Liquidity Report Offered as Part of the Cboe Timestamping Service

October 30, 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 October 21, 2026, Cboe C2 Exchange, Inc. (“Exchange” or “C2”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II, and III 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 Act³ 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 C2 Exchange, Inc. (the “Exchange” or “C2”) proposes to introduce enhancements to the Missed Liquidity Report offered as part of the Cboe Timestamping Service.

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/options/regulation/rule_filings/ctwo/), and at the principal office of the Exchange.

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 introduce enhancements to the Cboe Timestamping Service, which is a market data service comprised of the Missed Liquidity Report, Missed Cancels Report and All Cancels Report. Specifically, the Exchange seeks to update the Missed Liquidity Report to now include Complex Order Auction ("COA")⁵ events, as well as a new price field that, for records related to COA, includes each price of the subscribing Member's orders, modify messages, and quotes, as well as each price level at which options orders were executed during a COA. The Exchange is not proposing any enhancements to either the Missed Cancels Report or the All Cancels Report.⁶

Background

Currently, the Cboe Timestamping Service provides timestamp information for orders, quotes and cancels for market participants. More specifically, the Cboe Timestamping Service

⁵ The terms "Complex Order Auction" or "COA" mean an auction of a complex order as set forth in Rule 5.33(d). By way of background, COA provides enhanced automatic execution possibilities for complex orders, while continuing to provide potential for price improvement. See generally, "Complex Order Handling," available at: <https://www.cboe.com/markets/us/options/trading/complex-orders/>.

⁶ At this time, the Exchange is not proposing any fee increases for the Cboe Timestamping Service.

reports provide various timestamps relating to the message lifecycle throughout the Exchange System.⁷ The reports are optional products that are available to all Members and Members may opt to choose any combination of reports or no reports at all. Corresponding fees are assessed based on the number of reports selected.⁸

Notably, the data included in these reports is based only on the data of the market participant that opts to subscribe to the reports (“Recipient Member”) and does not include information related to any Member other than the Recipient Member. The Exchange restricts all other market participants from receiving another market participant's data. Additionally, no report includes real-time market data. Rather, the reports contain only historical data from the prior trading day and are only available after the end of the trading day, generally on a T+1 basis.

Specifically, the Missed Liquidity Report provides time details for executions of orders and quotes that rest on the C2 Book⁹ where the Member receiving the report attempted to execute against that resting order within an Exchange-determined amount of time (not to exceed 1 millisecond) after receipt of the first attempt to execute against the resting order or quote and within an Exchange-determined amount of time (not to exceed 100 microseconds) before receipt of the first attempt to execute against the resting order or quote.¹⁰ For example, if a Member sends in a marketable order, but an order resting on the Exchange order book was subsequently executed, the

⁷ The term “System” means the automated trading system the Exchange users for the trading of options contracts. See Rule 1.1, definition of, “System.”

⁸ The Exchange plans to submit a separate filing with the Commission pursuant to Section 19(b)(1) to propose fees for the Missed Liquidity Report and Cancels Report.

⁹ The terms “Book” and “Simple Book” mean the electronic book of simple orders and quotes maintained by the System on which orders and quotes may execute during the applicable trading session. The Book during GTH may be referred to as the “GTH Book,” and the Book during RTH may be referred to as the “RTH Book.” See C2 Rule 1.1, definition of, “Book and Simple Book.”

¹⁰ The Exchange will announce the Exchange-determined timeframes with reasonable advance notice via Exchange Notice.

Missed Liquidity Report can assist the Member in determining by how much time that order missed an execution.¹¹

The Missed Liquidity Report includes the following data elements for orders and quotes¹² and cancel messages,¹³ respectively: (1) Message Type;¹⁴ (2) Date; (3) Recipient Member ID; (4) Session Sub ID;¹⁵ (5) Clearing Identifier;¹⁶ (6) Client Identifier;¹⁷ (7) Trade Condition;¹⁸ (8) Auction ID;¹⁹ (9) Symbol; (10) Cboe Order ID;²⁰ (11) Execution ID;²¹ (12) Exchange System

¹¹ For example, Participant A submits an order that is posted to the Exchange's Book. Participant B at some point thereafter enters a marketable order to execute against Participant A's resting order. Within 500 microseconds of Participant B's submission, Participant C, also sends a marketable order to execute against Participant A's resting order. Because Participant B's order is received by the Exchange before Participant C's order, Participant B's order executes against Participant A's resting order. The proposed Report would provide Participant C (the Recipient Member of the report) the data points necessary for that firm to calculate by how much time they missed executing against Participant A's resting order.

¹² The currently available Missed Liquidity Report will only include trade events which are triggered by an order or quote that removed liquidity on entry and will exclude trade events resulting from: elected stop orders, orders routed and executed at away venues, and peg order movements, and auctions (except step up), floor trades, customer-to-customer automated improvement mechanism (immediate cross), qualified contingent cross order trades, and compression trades. Further, in the event of a quote packet, only the first quote within a packet would be included as a potential trade event.

¹³ Includes individual order cancellations, mass cancels, purge orders, and quote updates (when quantity and price fields are both zero) messages that are sent via Financial Information Exchange ("FIX") protocol or Binary Order Entry ("BOE") protocol by a subscriber.

¹⁴ The Missed Liquidity Report will indicate if the message is a firm order record, firm modify record, firm quote record or trade record with aggressor information.

¹⁵ Session Sub ID is the ID of the originating logical port.

¹⁶ EFID identified on the message.

¹⁷ Unique CIOrdID (for order), QuoteUpdateID (for quotes) or MassCancelID (for mass cancels or purges) assigned by the client.

¹⁸ The Trade Condition will indicate if it is an electronic trade, or complex to complex electronic trade, or SUM Auction.

¹⁹ This field will include the auction ID for a SUM auction; field will not be populated for any other order or trade type.

²⁰ Assigned to the order by Cboe and will be blank for trade records.

²¹ The Execution ID is a unique reference number assigned by the Exchange for each trade.

Timestamps for orders, quotes, and cancels;²² (13) Matching Unit Number;²³ (14) Queued;²⁴ (15) Port Type;²⁵ and (16) Aggressor Order Type.²⁶ No specific information about resting orders on the Exchange book will be provided.

Enhancements

As noted above, the Exchange now seeks to update the Cboe Timestamping Service by adding additional data elements to the Missed Liquidity Report. Specifically, the Exchange seeks to enhance the Missed Liquidity Report to include COA events, as well as a new price field that includes each price level at which options orders were executed during a COA in addition to the Recipient Member's orders, modify message and quotes related to the COA. Importantly, no other

²² Includes Network Discovery Time (which is a network hardware switch timestamp taken at the network capture point); Order Handler NIC Timestamp (which is a hardware timestamp that represents when a BOE 3 convenience or BOE 2 order handler server NIC observed the message and may not be available for certain reject cases); Boe3u NIC Timestamp (which is a hardware timestamp that represents when a BOE 3 unitized order handler server NIC observed the message and may not be available for certain reject cases); Order Handler Received Timestamp (which is software timestamp that represents when the FIX, BOE 3 convenience, or BOE 2 order handler has begun processing the order after the socket read and may not be available for certain reject cases); Boe3u Received Timestamp (which is a software timestamp that represents when the BOE 3 unitized order handler has begun processing the order after the socket read and may not be available for certain reject cases); Order Handler Send Timestamp (which represents when the FIX, BOE 3 convenience, or BOE 2 order handler has finished processing the order and begun sending to the matching engine or BOE 3 unitized order handler and may not be available for certain reject cases); Boe3u Send Timestamp (which represents when the BOE 3 unitized order handler has finished processing the order and begun sending to the matching engine and may not be available for certain reject cases); Matching Engine NIC Timestamp (which is a hardware timestamp that represents when the target matching engine server NIC observed the message); and Matching Engine Transaction Timestamp (which is a software timestamp that represents when the matching engine has started processing an event)

²³ Represents the matching unit number.

²⁴ Flag to indicate whether a message was delayed due to message in flight limits (i.e., a limit on the total number of messages in flight between an order handler and a matching engine); this will be blank for trade records.

²⁵ Refers to the port type used by the session to send the applicable message (BOE2 Order, BOE3 Convenience, BOE3 Utilized Order, BOE3 Unitized Quote, FIX, or BOE2 Quote for the Missed Liquidity Report and BOE2 Order, BOE3 Convenience, BOE3 Unitized Order, BOE3 Unitized Quote, FIX, BOE2 Quote, BOE2 Purge, BOE3 Unitized Purge or FIX Purge for the Cancels Report).

²⁶ Indicates whether the order type of the response order that executed against the resting order was a new order, modify order, or quote update message.

changes will be made to the Missed Liquidity Report, and aside from these proposed enhancements, the Missed Liquidity Report will remain as described above.

As proposed, a Member's options orders, quotes and modify messages that are eligible to participate in a COA will now appear in the Missed Liquidity Report. The Missed Liquidity Report will now show the Member the time details for their eligible options orders, quotes and modify messages for a COA, as well as the time details for executions of other COA-eligible options orders resting on the Complex Order Book ("COB"),²⁷ that the Member receiving the Missed Liquidity Report attempted to execute against within an Exchange-determined amount of time (not to exceed 1 millisecond) after receipt of the first attempt to execute against the resting options order and within an Exchange-determined amount of time (not to exceed 100 microseconds) before receipt of the first attempt to execute against the resting options order.²⁸ For example, if a Member sends in a COA-eligible options order, but a resting options order participating in the COA was subsequently executed, the Missed Liquidity Report can assist the Member in determining by how much time their options order missed an execution.

Additionally, for COAs clearing across multiple price levels, the Missed Liquidity Report will now also include a new price field that shows each price level at which (i) the COA-eligible options orders were executed during a COA and (ii) the Recipient Member's order, modify messages and quotes were at. This will enable a Member to see where their orders, modify messages, and quotes sat relative to the price levels at which other options orders executed in the COA.

²⁷ The terms "Complex Order Book" and "COB" mean the Exchange's electronic book of complex orders and used for all trading sessions. See C2 Rule 5.33(a), definition of, "Complex Order Book" and "COB."

²⁸ The Exchange will announce the Exchange-determined timeframes with reasonable advance notice via Exchange Notice.

Generally speaking, the Exchange believes that market participants utilize liquidity accessing orders when there is a high probability that they will execute against an order or quote resting on the Exchange order book. In this regard, the Missed Liquidity Report helps subscribing market participants to better understand by how much time they missed executing against certain resting orders or quotes. The Exchange therefore believes this report will provide greater visibility into what was missed in trading so market participants can better determine whether they want to invest in the technology to mitigate the misses. It may also allow them to optimize their models and trading patterns to yield better execution results. Notably, the proposed additional data elements will further enhance the utility of the Missed Liquidity Report, and provide subscribers with similar insight into the COA, as well as better enable them to utilize the data to optimize their models and trading patterns to yield better execution results.

The Exchange notes that even with the enhancements to the Missed Liquidity Report, the data contained within the proposed Missed Liquidity Report is substantially the same data provided by the Exchange today.

Implementation

The Exchange will announce via Exchange Notice the implementation date of the proposed rule change, which shall occur no later than 60 days after the operative date of this rule filing.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,²⁹ in general, and furthers the objectives of Section 6(b)(5) of the Act,³⁰ in particular, in

²⁹ 15 U.S.C. 78f.

³⁰ 15 U.S.C. 78f(b)(5).

that it is 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 to protect investors and the public interest, and that it is not designed to permit unfair discrimination among customers, brokers, or dealers. The Exchange also believes this proposal is consistent with Section 6(b)(5) of the Act because it protects investors and the public interest and promotes just and equitable principles of trade by providing investors with an enhanced option for receiving market data as requested by market participants and Section 6(b)(8) of the Act, which requires that the rules of an exchange not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.³¹ This proposal is in keeping with those principles in that it promotes increased transparency by enhancing the optional Missed Liquidity Report, which will continue to be available to any Member interested in paying to receive it, to include COA events and a new price field reflecting each price level at which options orders were executed during a COA.

The Exchange also believes this proposal is consistent with Section 6(b)(5) of the Act because it protects investors and the public interest and promotes just and equitable principles of trade by providing investors with enhanced options for receiving market data as requested by potential purchasers. The proposed enhancements would benefit investors by facilitating their prompt access to additional value-added information regarding their participation in COAs, which is not currently included in the Missed Liquidity Report. The enhanced report will allow Members to access information regarding their COA trading activity that they may utilize to evaluate their own trading behavior and order interactions in the same manner they currently can for options orders and quotes executing against interest resting on the Exchange order book. It

³¹ 15 U.S.C. 78f(b)(8).

also promotes just and equitable principles of trade because it would provide latency and execution price level information in a systematized way and standardized format to any Member that chooses to subscribe to the Missed Liquidity Report. As discussed, the proposed reports is not a real-time market data product, but rather provides only historical trading data for the previous trading day, generally on a T+1 basis, and the COA data will be provided on the same basis. In addition, the data in the report regarding incoming orders or quotes that failed to execute including options orders that failed to execute in a COA, would be specific to the Recipient Member's messages. As noted above, no specific information about the resting orders on the Exchange book will be provided and any information relating to another Member would be anonymized.

With respect to the first enhancement, the Exchange believes that including COA events in the Missed Liquidity Report is also consistent with Section 6(b)(5) of the Act because it simply extends the report's existing functionality to an additional execution mechanism on the Exchange. Currently, a Member that submits COA-eligible options orders receives no insight through the Missed Liquidity Report into how much time its options orders missed executing against other COA-eligible options orders resting on the COB. As proposed, the report will show a Member the time details for its eligible options orders, quotes and modify messages in a COA, as well as time details for executions of other COA-eligible options orders resting on the COB that the Member attempted to execute against, using the same Exchange-determined time parameters (not to exceed 1 millisecond after, and 100 microseconds before, receipt of the first attempt to execute) that currently apply to the report. By applying the same methodology to COA activity, the enhancement will provide Members with greater visibility into what was missed in COA trading, enabling them to better determine whether to invest in technology to mitigate those

misses and to optimize their models and trading patterns to yield better execution results in COAs. The Exchange believes that better informed Members are more likely to participate efficiently in COAs, which may in turn contribute to more robust price competition in the auction, to the benefit of investors whose complex orders are exposed in a COA. This furthers the protection of investors and the public interest and removes impediments to and perfects the mechanism of a free and open market and a national market system.

With respect to the second enhancement, the Exchange believes that adding a new price field showing each price level at which COA-eligible options orders were executed during a COA clearing across multiple price levels, is likewise consistent with Section 6(b)(5) of the Act. Because a COA may clear at more than one price, timing information alone may not give a Member a complete picture of why its options order did not execute. The new price field will enable a Member to see where its options orders, quotes and modify messages sat relative to the price levels at which other options orders executed in the COA, which will help the Member understand whether a missed execution was attributable to timing, price, or both, and to refine its pricing and order submission strategies accordingly. The Exchange notes that the price field identifies only (i) the Member's own pricing for its quotes, orders and modify messages and (ii) the price levels at which executions occurred; it does not identify the Member or other market participant on the other side of any execution, and the report will continue to restrict all market participants from receiving another market participant's data. Accordingly, the Exchange believes the new price field increases the utility and transparency of the report for subscribing Members without disclosing sensitive information about other market participants, thereby promoting just and equitable principles of trade and protecting investors and the public interest.

The Exchange further notes that the proposed enhancements are limited in scope. No other changes will be made to the Missed Liquidity Report, and the Exchange is not proposing any enhancements to the Missed Cancels Report or the All Cancels Report. The enhanced Missed Liquidity Report will continue to be an optional product equally available to all Members on the same terms

The Exchange notes that the Cboe Timestamping Service, including the Missed Liquidity Report that is the subject of the proposed enhancements, is an existing Exchange market data product that was previously filed³² with, and reviewed by, the Commission. In that filing, the Commission waived the 30-day operative delay so that the Exchange could launch the Missed Liquidity Report and Missed Cancels Report on January 27, 2025, finding that doing so was consistent with the protection of investors and the public interest and noting that the filing did not introduce any novel regulatory issues.³³ The proposed rule change does not alter the fundamental structure or purpose of the Missed Liquidity Report as previously filed. Rather, it applies the report's existing methodology to an additional execution mechanism (i.e., COAs) and adds a related price field, while retaining the same core features already reviewed by the Commission: the report remains optional, is available to all Members, contains only historical data provided on a T+1 basis, and includes only data specific to the Recipient Member.

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 proposed rule changes do not introduce a new product. Rather, the proposed amendments seek

³² See Securities Exchange Act Release No. 102238 (January 17, 2025), 90 FR 8070 (January 23, 2025) (SR-C2-2025-001).

³³ Id.

to enhance the existing Missed Liquidity Report, which was previously filed with the Commission and became effected upon filing. Accordingly, the Exchange believes the proposed rule changes do not raise any new competitive issues. With respect to intermarket competition, the Exchange believes the proposed additions will enhance competition between exchanges by improving the quality and utility of the Exchange's market data offerings, thereby allowing the Exchange to better compete with other exchanges that offer similar trading-related reports, such as MIAX Emerald's Liquidity Taker Event Report.³⁴ Market participants have numerous alternative venues for trading complex orders, and other exchanges remain free to develop and offer similar competing data products.

Additionally, the Exchange believes the proposed rule change does not impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. The enhanced Missed Liquidity Report will be available to all Members on the same terms, and any Member that subscribes to the report will automatically receive the COA data for its own COA-eligible options orders, quotes and modify messages. The COA data, including the new price field, will be specific to the Recipient Member's own orders, quotes and modify messages, will be provided only on a historical, T+1 basis, and will not identify any other market participant. As such, the enhancements will not provide any Member with an informational advantage over other market participants in real-time trading. Moreover, market participants are not required to purchase the Missed Liquidity Report, and the Exchange is not required to make the Missed Liquidity Report available to investors. Rather, the Exchange is voluntarily making the Missed Liquidity Report available, as requested by Members, and Members may choose to receive (and pay for) this data based on their own business needs.

³⁴ See e.g., MIAX Emerald Rule 531.

Potential purchasers may request the data at any time if they believe it to be valuable or may decline to purchase such data.

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

Because the foregoing proposed rule change does not:

- A. significantly affect the protection of investors or the public interest;
- B. impose any significant burden on competition; and
- C. 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 Act³⁵ and Rule 19b-4(f)(6)³⁶ 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 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:

³⁵ 15 U.S.C. 78s(b)(3)(A).

³⁶ 17 CFR 240.19b-4(f)(6).

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-C2-2026-028 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-C2-2026-028. 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-C2-2026-028 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.³⁷

Sherry R. Haywood,

Assistant Secretary.

³⁷ 17 CFR 200.30-3(a)(12).