

Item 1. Text of the Proposed Rule Change

(a) Cboe Exchange, Inc. (the “Exchange” or “Cboe Options”) proposes to amend Rule 5.6. The text of the proposed rule change is provided below and in Exhibit 1.

(additions are underlined; deletions are [bracketed])

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Rules of Cboe Exchange, Inc.

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Rule 5.6. Order Types, Order Instructions, and Times-in-Force

(a) – (b) No change.

(c) *Order Instructions.* An “Order Instruction” is a processing instruction a User may apply to an order (multiple instructions may apply to a single order), subject to the restrictions set forth in Rule 5.5(c) with respect to orders and bulk messages submitted through bulk ports and any other restrictions set forth in the Rules, when entering it into the System for electronic or open outcry processing and includes:

All-or-None or AON

An “All-or-None” or “AON” order is an order to be executed in its entirety or not at all. An AON order may be a market or limit order. Users may not designate an AON order as All Sessions or RTH and Curb.

(1) – (6) No change.

(7) The System disregards an AON instruction on an order with a size of one contract.

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(b) Not applicable.

(c) Not applicable.

Item 2. Procedures of the Self-Regulatory Organization

(a) The Exchange’s President (or designee) pursuant to delegated authority approved the proposed rule change on December 23, 2022.

(b) Please refer questions and comments on the proposed rule change to Pat Sexton, Executive Vice President, General Counsel, and Corporate Secretary, (312) 786-7467, or Laura G. Dickman, (312) 786-7572, Cboe Exchange, Inc., 433 West Van Buren Street, Chicago, Illinois 60607.

Item 3. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

(a) Purpose

The Exchange proposes to amend Rule 5.6. Specifically, the proposed rule change codifies in new subparagraph (7) of the definition of an All-or-None (“AON”) order in Rule 5.6(c) that the System will disregard an AON instruction on an order with a size of one contract. An AON order is an order to be executed in its entirety or not at all.¹ Any order for one contract (regardless of whether it has an AON instruction) may only be executed in its entirety or not at all, as the Exchange does not permit executions of partial contracts. Therefore, an AON instruction on such an order is unnecessary. If a market participant submits an order for one contract with an AON instruction, that order would execute in the same manner as an order for one contract without an AON instruction. However, in certain circumstances, the System handles orders with AON instructions differently than non-AON orders. For example, pursuant to Rule 5.32(a)(3), AON orders are generally last in priority. Such provisions may prevent or delay executions of one-lot orders with AON instructions, despite the fact that they would otherwise execute in the same manner as one-lot orders without AON instructions. The Exchange believes it is appropriate to treat all one-lot orders (which are functionally like AON orders (as they can only execute in their entirety or not at

¹ Rule 5.6(c).

all)) as non-AON orders so such orders that unnecessarily include an AON instruction, including AON orders from customers, do not lose otherwise lose priority.

(b) 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.² Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)³ 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 the Section 6(b)(5)⁴ 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 will promote just and equitable principles of trade and remove impediments to and perfect the mechanism of a free and open market and a national market system, because the System will handle and prioritize all one-lot orders, which are functionally like AON orders (as they can only execute in their

² 15 U.S.C. 78f(b).

³ 15 U.S.C. 78f(b)(5).

⁴ Id.

entirety or not at all), in the same manner. The Exchange believes it is equitable to treat all one-lot AON orders as non-AON orders so such orders do not lose priority despite inclusion of an instruction that has no practical impact on its execution. The Exchange believes the proposed rule change may benefit and protect market participants that submit one-lot orders with unnecessary AON instructions, as it may improve the priority (and possibly increase execution opportunities) of such orders. Additionally, because the proposed rule change codifies current System behavior, it adds transparency and clarity to the Rules, which ultimately benefits investors.

Item 4. 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 intramarket burden that is not necessary or appropriate in furtherance of the purposes of the Act because it applies to all orders for one contract with AON instructions in the same manner. Additionally, as described above, by disregarding an AON instruction on an order for one contract, the System handles and prioritizes all one-lot orders that may execute in their entirety or not at all (and thus all one-lot orders) in the same manner. The Exchange does not believe that the proposed rule change will impose any intermarket burden that is not necessary or appropriate in furtherance of the purposes of the Act because it only impacts how the System internally handles and prioritizes one-lot orders with AON instructions on the Exchange.

Item 5. 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.

Item 6. Extension of Time Period for Commission Action

Not applicable.

Item 7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2) or Section 19(b)(7)(D)

(a) The proposed rule change is filed for immediate effectiveness pursuant to Section 19(b)(3)(A) of Act⁵ and Rule 19b-4(f)(6)⁶ thereunder.

(b) The Exchange designates that the proposed rule change effects a change that (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest. Additionally, the Exchange has given 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 does not believe the proposed rule change will significantly affect the protection of investors or the public interest, because the System will handle and prioritize all one-lot orders, which are functionally like AON orders (as they can only execute in their entirety or not at all), in the same manner. The Exchange believes it is equitable to treat all one-lot AON orders as non-AON orders so such orders do not lose priority despite inclusion of an instruction that has no practical impact on its execution.

⁵ 15 U.S.C. 78s(b)(3)(A).

⁶ 17 CFR 240.19b-4(f)(6).

The Exchange believes the proposed rule change may benefit and protect market participants that submit one-lot orders with unnecessary AON instructions, as it may improve the priority (and possibly increase execution opportunities) of such orders. Additionally, because the proposed rule change codifies current System behavior, it adds transparency and clarity to the Rules, which ultimately benefits investors.

The Exchange does not believe the proposed rule change will impose any significant burden on competition, because it applies to all orders for one contract with AON instructions in the same manner. Additionally, as described above, by disregarding an AON instruction on an order for one contract, the System handles and prioritizes all one-lot orders that may execute in their entirety or not at all (and thus all one-lot orders) in the same manner. The proposed rule change also only impacts how the System internally handles and prioritizes one-lot orders with AON instructions on the Exchange.

For the foregoing reasons, this rule filing qualifies as a “non-controversial” rule change under Rule 19b-4(f)(6), which renders the proposed rule change effective upon filing with the Commission. At any time within 60 days of the filing of this 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.

The Exchange respectfully requests that the Commission waive the 30-day operative delay period after which a proposed rule change under Rule 19b-4(f)(6) becomes effective. The System currently disregards an AON instruction on a one-lot order and

handles and prioritizes such an order as a non-AON order. As noted above, the Exchange believes the proposed rule change (and such current handling) benefits investors, because the System handles and prioritizes all one-lot orders, which are functionally like AON orders (as they can only execute in their entirety or not at all), in the same manner. The Exchange believes it is equitable to treat all one-lot AON orders as non-AON orders so such orders do not lose priority despite inclusion of an instruction that has no practical impact on its execution. The Exchange believes the proposed rule change may benefit and protect market participants that submit one-lot orders with unnecessary AON instructions, as it may improve the priority (and possibly increase execution opportunities) of such orders, including those of customers. Waiver of the operative delay will benefit and protect investors because it will permit rule language describing this System functionality to be codified as soon as possible.

(c) Not applicable.

(d) Not applicable.

Item 8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

The proposed rule change is not based on a rule either of another self-regulatory organization or of the Commission.

Item 9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

Item 10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

Item 11. **Exhibits**

Exhibit 1. Completed Notice of Proposed Rule Change for publication in the
Federal Register.