

# SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-104012; File No. SR-CBOE-2025-065]

## **Self-Regulatory Organizations; Cboe Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend Rule 7.10 Relating to Fingerprint-Based Background Checks**

September 22, 2025.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on September 9, 2025, Cboe Exchange, Inc. (“Exchange”) filed with the Securities and Exchange Commission (“Commission” or “SEC”) 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 Exchange, Inc. (the “Exchange” or “Cboe Options”) proposes to amend Rule. 7.10. 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/options/regulation/rule\\_filings/bzx/](https://www.cboe.com/us/options/regulation/rule_filings/bzx/) [sic]) and at the principal office of the Exchange.

### **II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change**

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

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 7.10 (Fingerprint-Based Background Checks of Exchange Directors, Officers, Employees and Others).<sup>3</sup> Rule 7.10 describes the Exchange's current practice of conducting fingerprint-based criminal records checks of (i) directors, officers and employees of the Exchange, and (ii) temporary personnel, independent contractors, consultants, vendors and service providers (collectively, "Contractors") who have or are anticipated to have access to facilities and records. The Exchange now proposes to amend Rule 7.10 to conform to the language in Section 17(f)(2) of the Securities Exchange Act of 1934 ("Act").<sup>4</sup>

By way of background, access to the Federal Bureau of Investigation's ("FBI") database of fingerprint based criminal records is permitted only when authorized by law. Numerous federal and state laws authorize employers to conduct fingerprint-based background checks that make use of the FBI's database. Notably, Section 17(f)(2) of the Act and SEC Rule 17f-2<sup>5</sup> require partners, directors, officers and employees of members of national securities exchanges, brokers, dealers, transfer agents, and clearing agencies to be fingerprinted and authorize SROs to

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<sup>3</sup> As part of the proposed rule change, the Exchange proposes to rename Rule 7.10 to "Fingerprint-Based Background Checks of Exchange Partners, Directors, Officers and Employees."

<sup>4</sup> 15 U.S.C. 78q(f)(2).

<sup>5</sup> 17 CFR 240.17f-2(c).

maintain facilities for processing and storing fingerprint cards and criminal record information received from the FBI database with respect to such cards. Section 17(f)(2) explicitly directs the Attorney General of the United States (i.e., the FBI, which is the fingerprint processing arm of the Office of the Attorney General of the United States) to provide SROs designated by the Securities and Exchange Commission (the “Commission”) with access to criminal history record information. Section 17(f)(2) was amended by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (“Dodd-Frank Act”) to also require partners, directors, officers and employees of registered securities information processors, national securities exchanges and national securities associations to be fingerprinted.<sup>6</sup> Following this amendment, the Exchange and other securities markets adopted rules to obtain fingerprints from certain enumerated parties.<sup>7</sup>

The Exchange now proposes to amend Rule 7.10 in order to more closely align with the requirements for national securities exchanges as provided in Section 17(f)(2) of the Act. As noted above, Rule 7.10 currently applies to (i) directors, officers and employees of the Exchange, and (ii) Contractors. Section 17(f)(2) of the Act, however, does not specifically apply to independent contractors nor temporary employees, but instead references only “partners, directors, officers, and employees” of the Exchange. Thus, the Exchange proposes to amend Rule 7.10 to add reference to “partners” of the Exchange and to delete references to “temporary personnel, independent contractors, consultants, vendors and service providers who have or are anticipated to

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<sup>6</sup> See Section 929S of the Dodd-Frank Act.

<sup>7</sup> See International Securities Exchange (“ISE”) Rulebook Options 6E, Section 8; New York Stock Exchange (“NYSE”) American Rule 3.11E; and Nasdaq Stock Market, Inc. (“Nasdaq”) Rulebook General 2, Section 13.

have access to its facilities and records (collectively, “Contractors”)” in order to conform to the requirements (and respective authority) of Section 17(f)(2) of the Act.

In addition, in order to still safeguard the security of the facilities, systems, data, and information of the Exchange, the Exchange proposes to amend its rule to require all Contractors who have or are anticipated to have unescorted access to the facilities and records of the Exchange to have been subject to a background screening process by their associated employer.<sup>8</sup> Finally, the Exchange proposes related technical changes to Rule 7.10(c) and (d).

## 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.<sup>9</sup> Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)<sup>10</sup> 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.

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<sup>8</sup> The Exchange currently includes in its professional services agreements a provision that requires third-party Contractors to represent and warrant that the Contractor has in place, and shall maintain, a suitable background screening policy and process consistent with applicable law which has been followed for each of its personnel prior to assigning, permissioning or permitting such personnel to have access to Exchange confidential information or performing services for the Exchange. The Exchange expects such background check to focus on, among other things, education verification, employment history verification, and criminal records. To the extent a Contractor would have “escorted” electronic access, such Contractor would be unable to view non-public systems, data, or information of the Exchange unless accompanied by an authorized Exchange employee who supervises and controls their access.

<sup>9</sup> 15 U.S.C. 78f(b).

<sup>10</sup> 15 U.S.C. 78f(b)(5).

As noted above, Section 17(f)(2) of the Act, as amended by the Dodd-Frank Act, only references authority for Exchanges to submit fingerprints of its “partners, directors, officers and employees” for identification and processing and does not specifically apply to Contractors. Accordingly, the proposed rule change conforms Rule 7.10 to conform to the language in Section 17(f)(2) and more accurately reflects the Exchange's authority under Section 17(f)(2) of the Act, as amended by the Dodd-Frank Act, to require its partners, directors, officers, and employees to be fingerprinted and submit those fingerprints (or cause the fingerprints to be submitted) to the Attorney General for identification and appropriate processing.

The Exchange believes the proposed changes to Rule 7.10, including the codification of the Exchange’s background screening requirements related to Contractors are consistent with the foregoing requirements of Section 6(b)(5) in that it will allow the Exchange to remain compliant with applicable federal law, specifically Section 17(f)(2) of the Act, while helping the Exchange to identify and exclude persons (including persons with criminal records) that may pose a threat to the safety of Exchange personnel or the security of facilities and records, thereby enhancing business continuity, workplace safety and the security of the Exchange’s operations. Further, the proposed change is designed to provide transparency as to the Exchange’s background screening requirements related to Contractors. For these reasons, the proposal is designed to protect investors as well as the public interest.

**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 change is not intended to address competitive issues, but rather update the Exchange’s existing fingerprint rule to conform with Section 17(f)(2) of the Act as amended by

the Dodd-Frank Act<sup>11</sup> and provide transparency as to the Exchange's background screening requirements related to Contractors.

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

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act<sup>12</sup> and Rule 19b-4(f)(6)<sup>13</sup> thereunder. 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; or (iii) become operative for 30 days after 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<sup>14</sup> and Rule 19b-4(f)(6)<sup>15</sup> thereunder.

A proposed rule change filed under Rule 19b-4(f)(6)<sup>16</sup> normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),<sup>17</sup> the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that the proposed rule change may become operative

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<sup>11</sup> See Section 929S of the Dodd-Frank Act.

<sup>12</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>13</sup> 17 CFR 240.19b-4(f)(6).

<sup>14</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>15</sup> 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.

<sup>16</sup> 17 CFR 240.19b-4(f)(6).

<sup>17</sup> 17 CFR 240.19b-4(f)(6)(iii).

immediately upon filing. The Exchange states that the proposed rule change conforms the Exchange's fingerprinting rules with the language of Section 17(f)(2) of the Act. The Exchange also states that it will be able to continue to safeguard the physical security of the facilities, systems, data, and information of the Exchange because the proposal will require Contractors who have or are anticipated to have unescorted access to the facilities of the Exchange to have been subject to a background screening process by their associated employer. For these reasons, and because the proposed rule change does not raise any novel legal or regulatory issues, the Commission finds that waiving the 30-day operative delay is consistent with the protection of investors and the public interest. Therefore, the Commission hereby waives the 30-day operative delay and designates the proposed rule change as operative upon filing.<sup>18</sup>

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.

#### 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

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<sup>18</sup> For purposes only of waiving the 30-day operative delay, the Commission has also considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include file number SR-CBOE-2025-065 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-2025-065. 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-CBOE-2025-065 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.<sup>19</sup>

**Sherry R. Haywood,**

*Assistant Secretary.*

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<sup>19</sup> 17 CFR 200.30-3(a)(12) and (59).