

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-104358; File No. SR-CBOE-2025-083]

Self-Regulatory Organizations; Cboe Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend its Fees Schedule with Respect to Its Floor Broker Sliding Scale Rebate Program and Floor Broker Sliding Scale Supplemental Rebate Program

December 10, 2025.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² notice is hereby given that on December 1, 2025, Cboe Exchange, Inc. (the “Exchange” or “Cboe Options”) 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 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 its Fees Schedule with respect to its Floor Broker Sliding Scale Rebate Program and Floor Broker Sliding Scale Supplemental Rebate Program (collectively, the “Floor Broker Rebate Programs”). 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.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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 the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend its Fees Schedule, effective December 1, 2025.

The Exchange first notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive or incentives to be insufficient. More specifically, the Exchange is only one of 18 options venues to which market participants may direct their order flow. Based on publicly available information, no single options exchange has more than 14% of the market share.³ Thus, in such a low-concentrated and highly competitive market, no single options exchange possesses significant pricing power in the execution of option order flow. The Exchange believes that the ever-shifting market share among the exchanges from month to month demonstrates that market participants can shift order flow or discontinue to reduce use of certain categories of products in response to fee changes. Accordingly, competitive forces constrain the Exchange's transaction fees, and market participants can readily trade on competing

³ See Cboe Global Markets U.S. Options Monthly Market Volume Summary (November 26, 2025), available at https://markets.cboe.com/us/options/market_statistics/.

venues if they deem pricing levels at those other venues to be more favorable. In response to competitive pricing, the Exchange, like other options exchanges, offers rebates and assesses fees for certain order types executed on or routed through the Exchange.

Also, in response to the competitive environment, the Exchange offers various tiered incentive programs which provide Trading Permit Holders (“TPHs”) opportunities to qualify for higher rebates or reduced rates where certain volume criteria and thresholds are met. Tiered pricing provides an incremental incentive for TPHs to strive for higher tier levels, which provides increasingly higher benefits or discounts for satisfying increasingly more stringent criteria. For example, the Exchange currently offers, among other tiered volume programs, a Floor Broker Sliding Scale Rebate Program, which offers four tiers that provide rebates on a sliding scale⁴ for qualifying orders where a TPH meets certain liquidity thresholds. The Floor Broker Sliding Scale Rebate Program applies to all products except for Underlying Symbol List A,⁵ Sector Indexes,⁶ DJX, CBTX, MBTX, MRUT, MXEA, MXEF, MXACW, MXUSA, MXWLD, NANOS, SPEQX, XSP, and FLEX Micros (“multiply-listed options”). The Floor Broker Sliding Scale Rebate Program offers two categories of rebates that correspond to each of the proposed tiers; one that applies to Firm Facilitated orders (i.e., orders that yield fee code FF)⁷

⁴ The rebate offered under each tier is only applied to the qualifying volume within that tier. In addition, the Exchange calculates the average rebate for each type of rebate (Firm Facilitated and Non-Firm Facilitated) based on the TPH’s total qualifying volume across all four tiers plus its qualifying baseline volume (which corresponds to a rebate of \$0.00). Each respective average rebate is applied to the percentage of qualifying volume that corresponds specifically to the type of order (Firm Facilitated or Non-Firm Facilitated) volume and added together, which results in a final average rebate. The final average rebate is then applied to the TPH’s total qualifying executions. This is consistent with the manner in which the Exchange calculates rebates for other sliding scale programs offered under the Fees Schedule.

⁵ See Cboe Options Fees Schedule, Footnote 34, which provides that Underlying Symbol List A includes OEX, XEO, RUT, RLG, RLV, RUI, UKXM, SPX (includes SPXW), SPESG and VIX.

⁶ See Cboe Options Fees Schedule, Footnote 47, which provides that Sector Index underlying symbols include IXB, SIXC, IXE, IXI, IXM, IXR, IXRE, IXT, IXU, IXV AND IXY. Corresponding option symbols: SIXB, SIXC, SIXE, SIXI, SIXM, SIXR, SIXRE, SIXT, SIXU, SIXV AND SIXY.

⁷ Orders that yield fee code FF are not assessed a charge. See Cboe U.S. Options Fee Schedules, Fees and

and another that applies to all other non-Firm Facilitated orders (i.e., orders that do not yield fee code FF).

The Exchange also offers a Floor Broker Sliding Scale Supplemental Rebate Program. Similar to the Floor Broker Sliding Scale Program, the Floor Broker Sliding Scale Supplemental Rebate Program (“Supplemental Rebate Program”) offers four tiers that provide rebates on a sliding scale for qualifying orders where a TPH meets certain liquidity thresholds. The Supplemental Rebate Program applies to all products except Underlying Symbol List A, Sector Indexes, DJX, CBTX, MBTX, MRUT, MXEA, MXEF, MXACW, MXUSA, MXWLD, NANOS, SPEQX, XSP and FLEX Micros. Under the Supplemental Rebate Program, the Exchange calculates rebates based on qualifying volumes under the Supplemental Rebate Program, and eligible TPHs will receive the rebates only on qualifying Non-Firm Facilitated orders processed through the Floor Broker Sliding Scale Rebate Program (specifically, Non-Customer, Non-Strategy Floor Broker orders that do not yield fee code FF).

The Exchange now proposes to amend the Floor Broker Rebate Programs. Specifically, the Exchange propose to amend the Floor Broker Sliding Scale Rebate Program so that the rebates that correspond to Non-Firm Facilitated orders (i.e., orders that do not yield fee code FF) also apply to the portion of Floor Broker orders executed against Market-Maker quotes or orders. As proposed, for purposes of calculating Volume under this program, the Exchange will count a TPH’s Non-Customer, Non-Strategy, Floor Broker Volume, including the portion of such orders executed against Market-Maker quotes or orders.

Similarly, the Exchange proposes to amend the Supplemental Rebate Program, so that eligible TPHs will receive the rebates on qualifying Non-Firm Facilitated orders processed

Associated Fee Codes, available at: https://markets.cboe.com/us/options/membership/fee_schedule/cboe/.

through the Floor Broker Sliding Scale Rebate Program, as amended (i.e., Non-Customer, Non-Strategy Floor Broker orders that do not yield fee code FF and the portion of Floor Broker orders executed against Market-Maker quotes or orders).

The Exchange notes that other options exchanges include Floor Broker executions against Market-Makers within their Floor Broker rebate structures.⁸ The changes are designed to encourage Floor Brokers to increase their order flow in all multiply-listed options to the Exchange's trading floor to meet the tier criteria in order to receive the corresponding rebate for their qualifying orders. The Exchange believes that incentivizing increased liquidity to its trading floor allows the Exchange to maintain a robust hybrid trading environment that serves to support price discovery and increased execution opportunities in open outcry, to the benefit of all market participants.

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

⁸ See, e.g., BOX Exchange Fee Schedule, Section V(C) which provides that Floor Brokers that submit QOO and FOO Orders will receive a \$0.20 per contract enhanced rebate for executions that trade with a Floor Market Maker, in lieu of the \$0.10 and \$0.05 per contract rebates described in BOX Exchange Fee Schedule Section V.C.; see also NYSE American Options Fee Schedule, Section III.E.

⁹ 15 U.S.C. 78f(b).

¹⁰ 15 U.S.C. 78f(b)(5).

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)¹¹ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers. The Exchange also believes the proposed rule change is consistent with Section 6(b)(4) of the Act,¹² which requires that Exchange rules provide for the equitable allocation of reasonable dues, fees, and other charges among its TPHs and other persons using its facilities.

The Exchange believes that its proposed changes to the Floor Broker Rebate Programs are consistent with Section 6(b)(4) of the Act in that the proposed rule changes are reasonable, equitable and not unfairly discriminatory. As noted above, the Exchange operates in a highly competitive market. The Exchange is only one of several options venues to which market participants may direct their order flow, and it represents a small percentage of the overall market. Competing options exchanges offer similar tiered pricing structures to that of the Exchange, including incentive programs that offer rebates or rates that apply based upon TPHs achieving certain volume threshold. Moreover, other options exchanges include Floor Broker executions against Market-Makers within their Floor Broker rebate structures.¹³

The Exchange believes the proposed changes to the Floor Broker Rebate Programs are reasonable and equitable because they are designed to eliminate a disincentive for Floor Brokers to

¹¹ Id.

¹² 15 U.S.C. 78f(b)(4).

¹³ See, e.g., BOX Exchange Fee Schedule, Section V(C) which provides that Floor Brokers that submit QOO and FOO Orders will receive a \$0.20 per contract enhanced rebate for executions that trade with a Floor Market Maker, in lieu of the \$0.10 and \$0.05 per contract rebates described in BOX Exchange Fee Schedule Section V.C.; see also NYSE American Options Fee Schedule, Section III.E.

route orders to the Exchange (and potentially route to other exchanges which offer rebates) when such orders may execute against Market-Makers. By including all Floor Broker executions in rebate calculations, the Exchange encourages Floor Brokers to bring additional order flow to the Exchange. As noted above, the Exchange believes that incentivizing increased liquidity to its trading floor allows the Exchange to maintain a robust hybrid trading environment that serves to support price discovery and increased execution opportunities in open outcry, to the benefit of all market participants. Further, the proposed change aligns the Exchange's rebate structure with competing options exchanges that provide rebates on similar executions, ensuring Floor Brokers at the Exchange are not disadvantaged relative to floor brokers at other options exchanges.

The Exchange believes that the proposed changes to the Floor Broker Rebate Programs represent an equitable allocation of fees and are not unfairly discriminatory because the changes to the Floor Broker Rebate Programs apply uniformly to all qualifying TPHs, in that all TPHs that submit the requisite order flow (i.e., Non-Customer, Non-Strategy, Floor Broker Volume in multiply-listed options, including the portion of such orders executed against Market-Maker quotes or orders) have the opportunity to compete for and achieve the program tiers. The additional rebates will apply automatically and uniformly to all TPHs that achieve the corresponding criteria.

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 noted above, the changes to the Floor Broker Rebate Programs apply uniformly to all qualifying TPHs, in that all TPHs that submit the requisite order flow (i.e., Non-Customer, Non-Strategy, Floor Broker

Volume in multiply-listed options, including the portion of such orders executed against Market-Maker quotes or orders) have the opportunity to compete for and achieve the program tiers.

The Exchange believes the proposed rule change does not impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. As noted above, other options exchanges include Floor Broker executions against Market-Makers within their Floor Broker rebate structures.¹⁴ As previously discussed, the Exchange operates in a highly competitive market. TPHs have numerous alternative venues they may participate on and direct their order flow, including 17 other options exchanges. Additionally, the Exchange represents a small percentage of the overall market. Based on publicly available information, no single options exchange has more than 14% of the market share. Therefore, no exchange possesses significant pricing power in the execution of order flow. Indeed, participants can readily choose to send their orders to other exchanges if they deem fee levels at those other venues to be more favorable. As noted above, the Exchange believes that the proposed fee changes are comparable to that of other exchanges offering similar functionality. Moreover, the Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. Specifically, in Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and, also, recognized that current regulation of the market system “has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies.” The fact that this market is competitive has also long been recognized by the courts. In *NetCoalition v. Securities and Exchange Commission*, the

¹⁴ See, e.g., BOX Exchange Fee Schedule, Section V(C) which provides that Floor Brokers that submit QOO and FOO Orders will receive a \$0.20 per contract enhanced rebate for executions that trade with a Floor Market Maker, in lieu of the \$0.10 and \$0.05 per contract rebates described in BOX Exchange Fee Schedule Section V.C.; see also NYSE American Options Fee Schedule, Section III.E.

D.C. Circuit stated as follows: “[n]o one disputes that competition for order flow is ‘fierce.’ ... As the SEC explained, ‘[i]n the U.S. national market system, buyers and sellers of securities, and the broker-dealers that act as their order-routing agents, have a wide range of choices of where to route orders for execution’; [and] ‘no exchange can afford to take its market share percentages for granted’ because ‘no exchange possesses a monopoly, regulatory or otherwise, in the execution of order flow from broker dealers’”. Accordingly, the Exchange does not believe its proposed fee change imposes 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 comments on the proposed rule change.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act¹⁵ and paragraph (f) of Rule 19b-4¹⁶ 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.

¹⁵ 15 U.S.C. 78s(b)(3)(A).

¹⁶ 17 CFR 240.19b-4(f).

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-CBOE-2025-083 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-2025-083. 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-2025-083 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.¹⁷

Sherry R. Haywood,

Assistant Secretary.

¹⁷ 17 CFR 200.30-3(a)(12).