SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-104390; File No. SR-CBOE-2025-087]

Self-Regulatory Organizations; Cboe Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Modify the Permissible Strike Price Intervals for Options on the Cboe Mini Bitcoin U.S. ETF Index and the Cboe Magnificent 10 Index

December 15, 2025.

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 December 3, 2025, 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 permit strike price intervals for options on the Cboe Mini Bitcoin U.S. ETF Index ("MBTX options") and the Cboe Magnificent 10 Index ("MGTN options") to be no less than $1. The text of the proposed rule change is provided in Exhibit 5.

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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).

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/), 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

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 its Rules to modify the permissible strike price intervals for options on the Cboe Mini Bitcoin U.S. ETF Index ("MBTX options") and the Cboe Magnificent 10 Index ("MGTN options"). Pursuant to Rule 4.13, Interpretation and Policy .01(a), the interval between strike prices for index options can be no less than $5.00 (with certain specified exceptions). Additionally, Rule 4.13, Interpretation .01(d) provides that when new series of index options with a new expiration date are opened for trading, or when additional series of index options in an existing expiration date are opened for trading as the current value of the underlying index to which such series relate moves substantially from the strike prices of series already opened, the strike prices of such new or additional series shall be reasonably related to the current value of the underlying index at the time such series are first opened for trading. In the case of all classes of index options, the term "reasonably related to the current value of the underlying index" shall have the meaning set forth in Interpretation and Policy .04 under Rule 4.13.[5] These provisions currently apply to MBTX options and would apply to MGTN options (which the Exchange plans to begin listing in the fourth quarter of 2025).

The Exchange proposes to amend Rule 4.13, Interpretation and Policy .01(i) to provide that notwithstanding Interpretation and Policies .01(a), .01(d), and .04, the strike price intervals for new and additional series of each of MBTX options and MGTN options shall be listed subject to the following:

(1) if the current value of the index is less than or equal to 20, the Exchange shall not list series with an exercise price (i.e., strike price) of more than 100% above or below the current value of the index;

(2) if the current value of the index is greater than 20, the Exchange shall not list series with an exercise price (i.e., strike price) of more than 50% above or below the current value of the index; and

(3) the lowest strike price interval that may be listed for standard index options, including LEAPS, is $1, and the lowest strike price interval that may be listed for series of index

5 Rule 4.13, Interpretation and Policy .04 defines "reasonably related to the current index value of the underlying index" as the exercise price (i.e., strike price) being within 30% of the current index value. That provision also provides that the Exchange may also open for trading additional series of index options that are more than 30% away from the current index value, provided that demonstrated customer interest exists for such series, as expressed by institutional, corporate, or individual customers or their brokers.

options listed under the Nonstandard Expirations Program in Rule 4.13(e) and for QIX index options[6] is $0.50.[7]

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.[8] Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)[9] 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)[10] requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

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6 MGTN options are currently not eligible for the Nonstandard Expirations Program or QIXs. However, the Exchange has a separate proposal pending that would permit the Exchange to list MGTN options with those expirations. See Securities Exchange Act Release No. 104019 (September 23, 2025), 90 FR 46424 (September 26, 2025) (SR-CBOE-2025-068). Therefore, this proposed provision that would permit $0.50 strikes for MGTN series listed with those expirations would apply only if the Commission approves that filing. If that filing is not approved, then MGTN options with all expirations would be eligible for $1 strikes only pursuant to this proposed rule change.

7 Current Rule 4.13, Interpretation and Policy .01(i) relates to permissible strike prices for options on the Mini-Russell 2000 Index ("MRUT options" or "Mini-RUT options"). The proposed rule change makes nonsubstantive changes to paragraph (i) so that it applies to MRUT options, as well as MBTX and MGTN options (but has no impact on permissible strike prices for MRUT options).

8 15 U.S.C. 78f(b).

9 15 U.S.C. 78f(b)(5).

10 Id.

In particular, the Exchange believes the proposed rule change will protect investors and the public interest, because it will provide investors with greater flexibility by allowing them to establish positions better tailored to meet their investment objectives. The Exchange believes the proposed rule change will also remove impediments to and perfect the mechanism of a free and open market and a national market system, because it aligns the permissible strike intervals for MBTX and MGTN options with permissible strike intervals of other index options with similar index values, such as options on the Mini-Russell 200 Index ("MRUT options") and the Mini S&P 500 Index ("XSP options"). For example, current Rule 4.13, Interpretation and Policy .01(i) provides that MRUT options[11] may have the same strike prices as proposed for MBTX[12] and MGTN.[13] Similarly, Rule 4.13, Interpretation and Policy .10 provides XSP options may have the same strikes as proposed for MBTX and MGTN options.[14]

A wider base of MBTX and MGTN options will afford market participants additional hedging and trading opportunities, including the ability to roll positions more aligned with movements in the value of the underlying index, similar to those available for other index options that overlie indexes with comparable values. For example, if the value of the Cboe Mini Bitcoin U.S. ETF Index is 270, MBTX options are currently permitted to be listed with strikes of 275, 280, and 285, as opposed to 271, 272 and 273, as proposed. Therefore, new strikes are added in percentage intervals of approximately 1.9% and not investment strategies more aligned with moves in the index value (such as from 270 to 272, representing a 0.7% change, and thus over 1% away from the next highest strike). Additionally, the Cboe Mini Bitcoin U.S. ETF

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11 The value of the Mini-Russell 2000 Index on September 25, 2025 is approximately 242.

12 The value of the Cboe Mini Bitcoin U.S. ETF Index on September 25, 2025 is approximately 268.

13 The value of the Cboe Magnificent 10 Index on September 25, 2025 is approximately 400.

14 The value of the Mini-S&P 500 Index on September 25, 2025 is approximately 661.

Index is 1/10th the value of the Cboe Bitcoin U.S. ETF Index, options on which ("CBTX options") may be listed in the same $5 strike intervals. Given MBTX options have 1/10th the value of CBTX options, the Exchange believes MBTX options should be permitted in smaller strike price intervals than CBTX options. MBTX options are intended, among other things, to allow smaller-scale investors to gain broad exposure to the Cboe Bitcoin U.S. ETF Index market and hedge CBTX-related positions with a manageably sized contract, and the proposed finer strike prices for MBTX options will permit strike prices accordingly aligned with CBTX options. The proposed rule change will allow the Exchange to better respond to customer demand for additional strike prices for MBTX and MGTN options (the Exchange expects this demand for MGTN options when listing begins), as the more granular strike prices allowed by the proposed rule change will permit investors to use these options in a manner more closely tailored to their investment needs, as they are currently able to do with other index options. For example, if the Cboe Bitcoin U.S. ETF Index value is 2700, the Cboe Mini Bitcoin U.S. ETF Index value is 270. CBTX options would be permitted to be listed with strikes of 2710, 2720, and 2730. Corresponding MBTX options strikes, as proposed, would be 271, 272, and 273, as opposed to strikes of only 270 and 275, as permitted under the current rule. The proposed $1 strike price intervals for MBTX options will permit the listing of series with strikes that correspond more closely to CBTX option strikes.

Similarly, while MGTN options do not correspond to larger-sized options, the proposed $1 strike price intervals for MGTN options will permit investors to engage in investment strategies more closely aligned with movements in the value of the underlying index. For example, if the value of the Cboe Magnificent 10 Index is 400, MBTX options are currently permitted to be listed with strikes of 405, 410, and 415, as opposed to 401, 402, and 403, as proposed. Therefore, new strikes are added in percentage intervals of approximately 1.25% and not investment strategies more aligned with moves in the index value (such as from 400 to 402, representing a 0.5% change, and thus nearly 1% away from the next highest strike).

The Exchange recognizes the proposed $1 strike price intervals for MBTX options and MGTN options alone do not achieve full alignment with the applicable underlying index (or with CBTX options with respect to MBTX options). For example, if the value of the underlying index was 271.5 (and if there was a 2715 strike in CBTX options), the $1 strike interval would not permit the Exchange to list a corresponding 271.5 strike in MBTX options. However, the Exchange believes $1 strike price intervals will increase the alignment in a manner to provide investors with additional flexibility to tailor their investment strategies more closely with changes in the underlying index value. Therefore, the Exchange also proposes $0.50 strike price intervals for MBTX and MGTN options with Nonstandard Expirations[15] and for QIX MBTX and MGTN options. The Exchange believes that smaller strike intervals for MBTX and MGTN options with Nonstandard and QIX expirations (all of which are "nonstandard" expirations with P.M.-settlement, and, at times, have expirations that coincide) will provide market participants with more efficient hedging and trading opportunities. The proposed $0.50 strike price intervals would permit strikes on a more refined scale that, at times, will more closely reflect values in the underlying RUT [sic] Index and allow market participants to roll open positions from a lower strike to a higher strike in conjunction with the price movement of the underlying.

Additionally, the proposed strike price range limitations (100% and 50% away from the current index value, rather than 30% as used in the definition of "reasonably related") are closely

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15 MGTN options are not currently eligible for Nonstandard Expirations, as a rule filing to permit such expiration is pending. See Securities Exchange Act Release No. 104019 (September 23, 2025), 90 FR 185 (September 26, 2025) (SR-CBOE-2025-068).

aligned with the strike price range limitations for equity and ETF options pursuant to the Rule 4.7(b) and the Options Listing Procedure Plan ("OLPP").[16] The OLPP and Rule 4.7(b) set forth strike price range limitations for equity and ETF options which differ from the general exercise price range limitations for index options set forth in Interpretations and Policies .01(d) and .04 to Rule 4.13. The Exchange also notes that the exercise price range limitations currently in place for Mini-SPX options and MRUT options are consistent with these OLPP limitations.[17] Interpretation and Policy .01(d) requires the exercise price of each series of index options to be reasonably related to the current index value of the underlying index to which the series relates at time the series is first opened for trading on the Exchange. "Reasonably related to the current index value of the underlying index" means the exercise price must be within 30% of the current index value.[18] Pursuant to Interpretation and Policy .04 to Rule 4.13, the Exchange may also open for trading additional series of index options that are more than 30% away from the current index value, provided that demonstrated customer interest exists for the series. Therefore, if the value of the Cboe Mini Bitcoin U.S. ETF Index or Cboe Magnificent 10 Index is 200, under the current Rules providing general strike price range limitations for index options, the Exchange may only list options with the strikes ranging from $140 to $260 (i.e., 30% above and below the current value). Pursuant to the OLPP and Rule 4.7(b) strike price limitations for equity and ETF options, however, if the underlying price of an equity or ETF option is $200 (including equities that comprise the Cboe Magnificent 10 Index or ETFs that comprise the Cboe Mini Bitcoin U.S. ETF Index), the Exchange is permitted to list options on those stocks or ETFs with strikes ranging from $100 through $300 (i.e., 50% above and below the current value). Therefore, by

16 See Rule 4.7(b)

17 See Rule 4.13, Interpretations and Policies .01(i) and .10.

18 See Rule 4.13, Interpretation and Policy .04.

applying the OLPP limitations, as proposed, if the value of the Cboe Mini Bitcoin U.S. ETF Index or Cboe Magnificent 10 Index is 200, the Exchange will be able to list strikes ranging 50% above and below the current value of the index. The Exchange believes the proposed exercise price limitations for both MBTX and MGTN options will put such options on equal standing with equity and ETF options (including options on equities that comprise the Cboe Magnificent 10 Index and the ETFs that comprise the Cboe Mini Bitcoin U.S. ETF Index), as well as Mini-SPX options, in connection with exercise price limitations and, as a result, will allow the Exchange to list strikes that more closely reflect the current values in the RUT Index and to better respond to customer demand for MBTX and MGTN options strike prices that better relate to current values of the underlying indexes.

The Exchange acknowledges the proposed rule change may augment the potential number of options series available on the Exchange. However, the Exchange believes any such increase will be moderate and that the number of strikes that may be listed will be contained by the percentages proposed, specifically that strike prices may not be listed more than 100% above or below the current index value if less than or equal to 20, and not more than 50% above or below the current index value if greater than 20. Rather, the Exchange may determine to list strikes in $1 intervals or higher based on the level of the applicable underlying index and customer demand. Also, the Exchange believes that there is no reason to have a more limited range of strikes for MBTX or MGTN options than is currently permitted for other index options that overlie indexes with comparable values. Additionally, the Exchange believes it and the Options Price Reporting Authority ("OPRA") have the necessary systems capacity to handle any potential additional traffic associated with this proposed rule change. The Exchange also believes that TPHs will not have a capacity issue due to the proposed rule change. The

Exchange does not believe that this expansion will cause fragmentation of liquidity, but rather, believes that finer strike intervals will serve to increase liquidity available as well as price efficiency by providing more trading opportunities for all market participants.

Ultimately, the proposed strike price intervals will provide the Exchange with flexibility to respond to customer demand for MBTX and MGTN option strike prices that relate to and more closely reflect the current value of the applicable underlying index, which will allow investors to roll open positions from a lower strike to a higher strike in conjunction with the price movement of the underlying index. The Exchange believes the proposed strike price intervals will afford investors important hedging and trading opportunities by allowing investors (particularly retail investors) to fine-tune their use of both MBTX and MGTN options to gain exposure to the applicable index, hedge index-related positions, and manage their portfolios. The proposed rule change will add consistency to the options market for these index options and the options overlying the equities and ETFs that comprise each index.

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 competition that is not necessary or appropriate in furtherance of the purposes of the Act, because all strikes will be available to all market participants. 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, because the proposed strike regime for MBTX and MGTN options is available for other index options, as discussed above. Additionally, the proposed percentage bounds for the strike prices of MBTX and MGTN options align with that of equity and ETF options, including the equities that comprise the Cboe Magnificent 10 Index and the ETFs that comprise the Cboe Mini Bitcoin U.S. ETF Index, as provided in Rule 4.7 and the OLPP. The Exchange believes the proposed rule change may promote competition by affording investors for these index options additional investment opportunities that are similarly available for other index options, which opportunities may be more aligned with their investment needs and changes in the underlying index values.

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 written 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)(iii) of the Act[19] and Rule 19b-4(f)(6) thereunder.[20] Because the 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 prior to 30 days from the date on which it was filed, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act[21] and Rule 19b-4(f)(6)(iii) thereunder.[22]

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[19] 15 U.S.C. 78s(b)(3)(A)(iii).

[20] 17 CFR 240.19b-4(f)(6).

[21] 15 U.S.C. 78s(b)(3)(A).

[22] 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.

A proposed rule change filed under Rule 19b-4(f)(6)[23] normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b4(f)(6)(iii),[24] 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 proposal may become operative immediately upon filing. The Exchange states that the proposal will benefit investors by permitting the Exchange to list more granular strikes in both MBTX and MGTN options as soon as practicable, and the more granular strikes would permit investors to use these options in a manner more closely tailored to their investment needs. For these reasons, and because the proposed rule change does not raise any new or novel regulatory issues, the Commission finds that waiving the 30-day operative delay is consistent with the protection of investors and the public interest. Accordingly, the Commission hereby waives the 30-day operative delay and designates the proposed rule change as operative upon filing.[25]

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 under Section 19(b)(2)(B)[26] of the Act to determine whether the proposed rule change should be approved or disapproved.

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23 17 CFR 240.19b-4(f)(6).

24 17 CFR 240.19b-4(f)(6)(iii).

25 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 U.S.C. 78c(f).

26 15 U.S.C. 78s(b)(2)(B).

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-2025-087 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-2025-087. 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-2025-087 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.[27]

Sherry R. Haywood,

Assistant Secretary.

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27 17 CFR 200.30-3(a)(12), (59).