

# SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-104509; File No. SR-CBOE-2025-079]

## Self-Regulatory Organizations; Cboe Exchange, Inc.; Order Instituting Proceedings to Determine Whether to Approve or Disapprove a Proposed Rule Change to Allow for Extended Trading of Multi-Listed Equity Options

December 23, 2025.

### I. Introduction

On September 30, 2025, Cboe Exchange, Inc. (“Exchange” or “Cboe”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 (“Act”)<sup>2</sup> and Rule 19b-4 thereunder,<sup>3</sup> a proposed rule change to amend Cboe Rule (“Rule”) 5.1(c) (Global Trading Hours (“GTH”)) to allow for extended trading sessions of multi-listed equity options that meet certain eligibility criteria. The proposed rule change was published for comment in the Federal Register on October 3, 2025.<sup>4</sup> On November 3, 2025, pursuant to Section 19(b)(2)(A)(ii)(I) of the Act,<sup>5</sup> the Commission designated a longer period within which to approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to disapprove the proposed rule change.<sup>6</sup> Pursuant to

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

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b-4.

<sup>4</sup> See Securities Exchange Act Release No. 104160 (September 30, 2025), 90 FR 48091 (“Notice”). Comments received on the proposed rule change are available at [www.sec.gov/rules-regulations/public-comments/sr-cboe-2025-079](http://www.sec.gov/rules-regulations/public-comments/sr-cboe-2025-079).

<sup>5</sup> See 15 U.S.C. 78s(b)(2)(A)(ii)(I).

<sup>6</sup> See Securities Exchange Act Release No. 104173, 90 FR 51424 (November 17, 2025). The Commission designated January 1, 2026, as the date by which the Commission shall approve or disapprove, or institute proceedings to determine whether to disapprove, the proposed rule change.

Section 19(b)(2)(B) of the Act,<sup>7</sup> the Commission is hereby instituting proceedings to determine whether to approve or disapprove the proposed rule change.

## II. Description of the Proposed Rule Change

Pursuant to Rule 5.1, the Exchange offers three trading sessions: (i) Regular Trading Hours (“RTH”); (ii) Curb Trading Hours (“Curb”); and (iii) GTH.<sup>8</sup> Under Rule 5.1(c) currently, the Exchange may designate as eligible for trading during GTH any exclusively listed index option designated for trading under Chapter 4, Section B of the Exchange’s rules.<sup>9</sup> If the Exchange designates a class of index options as eligible for trading during GTH, FLEX Options with the same underlying index are also deemed eligible for trading during GTH.<sup>10</sup> Trading in GTH for index options occurs from 8:15 p.m. to 9:25 a.m. the next day, Monday through Friday.<sup>11</sup> For multi-listed equity options, trading currently only takes place during RTH from 9:30 a.m. through 4:00 p.m.<sup>12</sup>

As discussed more fully in the Notice, the Exchange proposes to amend Rule 5.1(c) to allow for extended trading sessions of multi-listed equity options that meet certain eligibility criteria – and FLEX Options with the same underlying equity security – during GTH.<sup>13</sup>

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<sup>7</sup> 15 U.S.C. 78s(b)(2)(B).

<sup>8</sup> See Notice, supra note 4, at 48091.

<sup>9</sup> See id.

<sup>10</sup> See Rule 5.1(c)(1).

<sup>11</sup> See Notice, supra note 4, at 48091.

<sup>12</sup> See id. at 48092.

<sup>13</sup> See proposed Rule 5.1(c). The Commission notes that the terms “Global Trading Hours” or “GTH” are currently used by Exchange rules to refer to the trading of exclusively-listed index options from 8:15 p.m. to 9:25 a.m. the next day, Monday through Friday. The proposal uses, and the Commission replicates herein, those same terms to refer to the proposed extended trading sessions for multi-listed equity options

Specifically, under the proposal, the Exchange would permit trading Monday through Friday in designated equity options prior to the commencement of RTH.<sup>14</sup> The proposed pre-RTH hours for the designated equity options would be from 7:30 a.m. to 9:25 a.m.<sup>15</sup> In addition, for designated equity options that are not options on ETFs, ETNs, Index Portfolio Shares, Index Portfolio Receipts, or Trust Issued Receipts, the Exchange proposes to offer trading until 4:15 p.m., through a session occurring immediately after RTH from 4:00 p.m. to 4:15 p.m., Monday through Friday.<sup>16</sup>

Under proposed Rule 5.1(c)(2), the Exchange may designate as eligible for the proposed extended trading sessions during GTH up to 100 actively-traded, multi-listed equity option classes that meet the following minimum criteria: (i) the option has an average daily volume of 150,000 contracts, (ii) the equity security underlying the option has a \$50 billion market capitalization, and (iii) the equity security underlying the option has an average daily trading volume of 10 million shares.<sup>17</sup> These minimum requirements may be waived if, during the three days following an underlying security's initial public offering day, the underlying security has a market capitalization of at least \$3 billion based on the offering price of its initial public offering.<sup>18</sup> In this case, options on the underlying security may be listed and traded in the proposed extended sessions, without regard to the criteria noted in (i)-(iii) above, starting on or

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even though these proposed extended sessions would not be coterminous with index option Global Trading Hours.

<sup>14</sup> See proposed Rule 5.1(c).

<sup>15</sup> See id.

<sup>16</sup> See id.

<sup>17</sup> See proposed Rule 5.1(c)(2).

<sup>18</sup> See id.

after the second business day following the initial public offering day.<sup>19</sup> Any option classes designated under this waiver would be included in the 100-class limit.<sup>20</sup>

In addition, proposed Rule 5.1(c)(2) would permit the Exchange to designate as eligible for the proposed extended trading sessions during GTH any equity option that is traded on another exchange during GTH or any other trading session that is not RTH or Curb.<sup>21</sup> Any options so designated under this provision would not be included in the 100-class limit.<sup>22</sup> Moreover, if the Exchange designates a class of equity options as eligible for the proposed extended trading sessions during GTH, FLEX Options with the same underlying equity security would also be deemed eligible for the proposed extended trading sessions during GTH.<sup>23</sup>

The Exchange also proposes rule amendments to support the proposed GTH trading for equity options. The Exchange proposes to amend Rule 5.1(e) to specify that, unlike GTH for index options, GTH for equity options will not occur on a holiday.<sup>24</sup> The Exchange proposes to amend Rule 5.20 by adding new section (g) to state that the trading of equity options in GTH would be subject to the same trading halt rules as equity option trading in RTH.<sup>25</sup> According to the Exchange, trading in equity options in GTH would generally halt when the underlying security of an option is halted, and trading halt provisions for GTH index options would not be

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<sup>19</sup> See id.

<sup>20</sup> See Notice, supra note 4, at 48092.

<sup>21</sup> See proposed Rule 5.1(c)(2).

<sup>22</sup> See id.; see also Notice, supra note 4, at 48092.

<sup>23</sup> See proposed Rule 5.1(c)(2).

<sup>24</sup> See Notice, supra note 4, at 48093.

<sup>25</sup> See id.

applicable to equity options.<sup>26</sup> Further, the Exchange proposes to amend the opening auction process in Rule 5.31 to incorporate GTH for equity options.<sup>27</sup> Rule 5.31(b) currently provides that the queuing period for GTH for All Sessions Classes<sup>28</sup> begins at 8:00 p.m., 15 minutes prior to the commencement of GTH. The Exchange proposes to amend this rule to apply the existing queuing period beginning at 8:00 p.m. to index options and establish a new queuing period for equity options in GTH that would commence at 7:15 a.m., which would be 15 minutes prior to the commencement of the GTH session.<sup>29</sup> The Exchange further proposes to amend Rule 5.31(d) to establish opening rotation triggers processing for GTH equity options by duplicating the existing opening rotations triggers processing for RTH equity options.<sup>30</sup>

### III. Proceedings to Determine Whether to Approve or Disapprove the Proposed Rule Change

The Commission hereby institutes proceedings pursuant to Section 19(b)(2)(B) of the Act<sup>31</sup> to determine whether the Exchange's proposed rule change should be approved or disapproved. Institution of proceedings does not indicate that the Commission has reached any conclusions with respect to any of the issues involved. Rather, the Commission seeks and encourages interested persons to provide comment on the proposed rule change to inform the Commission's analysis of whether to approve or disapprove the proposed rule change.

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<sup>26</sup> See id.

<sup>27</sup> See id.

<sup>28</sup> See Rule 1.1 (defining the term "All Sessions Class" as an options class that the Exchange lists for trading during all trading sessions).

<sup>29</sup> See proposed Rule 5.31(b).

<sup>30</sup> See proposed Rule 5.31(d); see also Notice, supra note 4, at 48093.

<sup>31</sup> 15 U.S.C. 78s(b)(2)(B).

Pursuant to Section 19(b)(2)(B) of the Act,<sup>32</sup> the Commission is providing notice of the grounds for disapproval under consideration. The Commission is instituting proceedings to allow for additional analysis of, and input from commenters with respect to, the consistency of the proposed rule change with the Act; in particular, Section 6(b)(5) of the Act,<sup>33</sup> which requires that the rules of a national securities exchange be designed 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, in general, to protect investors and the public interest, and not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers; and Section 6(b)(8)<sup>34</sup> of the Act, which prohibits the rules of a national securities exchange from imposing any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

Under the Commission's Rules of Practice, the "burden to demonstrate that a proposed rule change is consistent with the [Act] and the rules and regulations issued thereunder . . . is on the self-regulatory organization that proposed the rule change."<sup>35</sup> The description of a proposed rule change, its purpose and operation, its effect, and a legal analysis of its consistency with applicable requirements must all be sufficiently detailed and specific to support an affirmative Commission finding,<sup>36</sup> and any failure of a self-regulatory organization to provide this information may result in the Commission not having a sufficient basis to make an affirmative

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<sup>32</sup> Id.

<sup>33</sup> 15 U.S.C. 78f(b)(5).

<sup>34</sup> 15 U.S.C. 78f(b)(8).

<sup>35</sup> Rule 700(b)(3), Commission Rules of Practice, 17 CFR 201.700(b)(3).

<sup>36</sup> Id.

finding that a proposed rule change is consistent with the Act and the applicable rules and regulations.<sup>37</sup>

The Exchange's proposal is novel in that no national securities exchange currently permits the trading of equity options during the pre-RTH time period countenanced by the proposal or the trading of equity options that are not options on ETFs, ETNs, Index Portfolio Shares, Index Portfolio Receipts, or Trust Issued Receipts during the post-RTH period countenanced by the proposal. The Commission is concerned that the proposal does not provide an adequate basis for the Commission to conclude, at this time, that these proposed extended trading sessions would be consistent with the Act. The Commission asks that commenters address the sufficiency of the Exchange's statements in support of the proposal, which are set forth in the Notice, in addition to any other comments they may wish to submit about the proposed rule change. In particular, the Commission seeks comment on whether the Exchange's proposed extended trading sessions for designated equity options would be consistent with Sections 6(b)(5) and 6(b)(8) of the Act.<sup>38</sup>

#### IV. Commission's Solicitation of Comments

The Commission requests written views, data, and arguments with respect to the concerns identified above as well as any other relevant concerns. Such comments should be submitted by [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]. Rebuttal comments should be submitted by [INSERT DATE 35 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]. Although there do not appear to

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<sup>37</sup> Id.

<sup>38</sup> See 15 U.S.C. 78f(b)(5) and (8).

be any issues relevant to approval or disapproval that would be facilitated by an oral presentation of views, data, and arguments, the Commission will consider, pursuant to Rule 19b-4, any request for an opportunity to make an oral presentation.<sup>39</sup>

The Commission asks that commenters address the sufficiency and merit of the Exchange's statements in support of the proposal, in addition to any other comments they may wish to submit about the proposed rule change.

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](mailto:rule-comments@sec.gov). Please include file number SR-CBOE-2025-079 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-2025-079. This file number should be included on the subject line if email is used. To help the Commission process and

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<sup>39</sup> 15 U.S.C. 78s(b)(2). Section 19(b)(2) of the Act grants the Commission flexibility to determine what type of proceeding—either oral or notice and opportunity for written comments—is appropriate for consideration of a particular proposal by an SRO. See Securities Acts Amendments of 1975, Report of the Senate Committee on Banking, Housing and Urban Affairs to Accompany S. 249, S. Rep. No. 75, 94th Cong., 1st Sess. 30 (1975).



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-2025-079 and should be submitted on or before [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]. Rebuttal comments should be submitted by [INSERT DATE 35 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>40</sup>

**Sherry R. Haywood,**

*Assistant Secretary.*

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<sup>40</sup> 17 CFR 200.30-3(a)(57).