

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105181; File No. SR-CBOE-2026-028]

### **Self-Regulatory Organizations; Cboe Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend Rule 5.1 to Permit the Exchange to List Binary Options on Exclusively Listed Index Options Designated for Trading Under Chapter 4, Section B During Global Trading Hours (“GTH”) and Curb Trading Hours (“Curb”)**

April 8, 2026.

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 March 27, 2026, 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 Rule 5.1 to permit the Exchange to list binary options<sup>3</sup> on exclusively listed index options designated for trading under Chapter 4, Section B during Global Trading Hours (“GTH”) and Curb Trading Hours (“Curb”). The text of the proposed rule change is provided in Exhibit 5.

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

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

<sup>3</sup> The term “binary option” means a European-style option contract having an exercise settlement amount that is established at the creation of the option. Binary options are paid out if settlement value of the underlying broad-based index equals, exceeds or is less than the exercise price, depending on the type of option (i.e., call or put). See Rule 4.16(b) (definition of “binary option”).

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/)), 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 the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend Rule 5.1 to permit the Exchange to list binary options on exclusively listed index options designated for trading under Chapter 4, Section B during GTH and Curb.

By way of background, Rule 5.1(c) provides that the Exchange may designate as eligible for trading during GTH<sup>4</sup> any exclusively listed index option<sup>5</sup> designated for trading under Chapter 4, Section B. Currently, options on S&P 500 Stock Index (“SPX”), Cboe Volatility Index (“VIX”),

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<sup>4</sup> Except under unusual conditions as may be determined by the Exchange or the Holiday hours set forth in Rule 5.1(d), Global Trading Hours are from 8:15 p.m. (previous day) to 9:25 a.m. on Monday through Friday. See Rule 5.1(c).

<sup>5</sup> An “exclusively listed option” is an option that trades exclusively on an exchange because the exchange has an exclusive license to list and trade the option or has the proprietary rights in the interest underlying the option. An exclusively listed option is different than a “singly listed option,” which is an option that is not an “exclusively listed option” but that is listed by one exchange and not by any other national securities exchange.

Mini-SPX Index (“XSP”), Russell 2000 Index (“RUT”), Mini-RUT Index (“MRUT”), Cboe Magnificent 10 Index (“MGTN”), Cboe Bitcoin U.S. ETF Index (“CBTX”), and Cboe Mini Bitcoin U.S. ETF Index (“MBTX”) are approved for trading during GTH. Further, under Rule 5.1(c), 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.

Rule 5.1(d) provides that the Exchange may designate as eligible for trading during Curb<sup>6</sup> any exclusively listed option that the Exchange has designated for trading under Chapter 4, Section B. Currently SPX, VIX, XSP, RUT, MRUT, and MGTN options are approved for trading during Curb. Further, under Rule 5.1(d), if the Exchange designates a class of index options as eligible for trading during Curb, FLEX Options with the same underlying index are also deemed eligible for trading during Curb.

By way of further background, the Exchange originally adopted the GTH trading session due to global demand from investors to trade SPX and VIX options, as alternatives for hedging and other investment purposes, particularly as a complementary investment tool to VIX futures.<sup>7</sup> In response to customer demand for additional options to trade during the GTH trading session for similar purposes, the Exchange later designated XSP options to be eligible for trading during GTH.<sup>8</sup> The Exchange later adopted a Curb trading session, to further maximize the overlap in time that such designated options could trade.

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<sup>6</sup> Except under unusual conditions as may be determined by the Exchange, or the Holiday hours set forth in Rule 5.1(e), Curb Trading Hours are from 4:15 p.m. to 5:00 p.m. on Monday through Friday. See Rule 5.1(d).

<sup>7</sup> See Securities Exchange Act Release No. 34-73017 (September 8, 2014), 79 FR 54758 (September 12, 2014) (SR-CBOE-2014-062).

<sup>8</sup> See Securities Exchange Act Release No. 34-75914 (September 14, 2015), 80 FR 56522 (September 18, 2015) (SR-CBOE-2015-079).

The Exchange now proposes to permit the Exchange to list binary options on exclusively listed index options designated for trading under Chapter 4, Section B during GTH and Curb. The proposed rule change amends Rules 5.1(c) and (d) to state that if the Exchange designates a class of index options as eligible for trading during GTH or Curb, respectively, FLEX Options and binary options with the same underlying index are also deemed eligible for trading during GTH or Curb, respectively.

The Exchange may approve for listing and trading binary option contracts on a broad-based index selected in accordance with Rule 4.10 and the Interpretations and Policies thereunder.<sup>9</sup>

Pursuant to Rule 5.1(b)(2)(G), Regular Trading Hours (“RTH”)<sup>10</sup> for binary index options are the same as RTH for options on the same underlying index. Under the proposed rule change, if the Exchange designates a class of broad-based index options as eligible for GTH or Curb trading, binary options on the same underlying index are automatically deemed eligible for the same extended hours, similar to how FLEX Options are considered under current rules. This proposed change merely extends the hours during which binary index options may trade on the Exchange; it does not alter the underlying eligibility criteria. The Exchange believes there is demand from investors for binary options with the same underlying as options that currently trade during GTH and Curb, particularly given the availability of competitive products nearly 24 hours a day (as further discussed below).

As noted above, Rules 5.1(c) and (d) permit the Exchange to designate any exclusively listed index option eligible under Chapter 4, Section B as eligible for GTH and Curb trading;

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<sup>9</sup> See Rule 4.16(c)(1). Binary options are a separate class from other options overlying the same broad-based index. The maintenance listing standards with respect to options on broad-based indexes set forth in Rule 4.10 and the Interpretations and Policies thereunder apply to binary options on broad-based indexes as well. See Rule 4.16(d).

<sup>10</sup> Rule 5.1(b)(2) defines RTH for index options as 9:30 a.m. to 4:15 p.m. (Eastern Time), subject to certain exceptions.

currently, SPX, VIX, XSP, RUT, and MRUT options are the broad-based index options approved for trading during GTH and Curb. Thus, under the proposed rule change, binary options on SPX, VIX, XSP, RUT, and MRUT would be eligible for GTH and Curb trading.

With regard to the impact of this proposal on system capacity, the Exchange has analyzed its capacity and represents that it believes that the Exchange has the necessary systems capacity to handle any potential additional traffic associated with trading of binary options on exclusively listed index options designated for trading under Chapter 4, Section B during GTH and Curb. The Options Price Reporting Authority (“OPRA”) also informed the Exchange it believes it has the necessary systems capacity to handle the additional traffic associated with the listing of binary options that would result from this proposed rule change.

The Exchange does not believe that its Trading Permit Holders (“TPHs”) will experience any capacity issues as a result of this proposal and represents that it will monitor the trading volume associated with any binary options series listed as a result of this proposal and the effect (if any) of these series on market fragmentation and on the capacity of the Exchange’s automated systems. For its initial binary options launch, the Exchange intends to list the same strikes during GTH as are listed during RTH.

In addition to this, the Exchange believes that its existing surveillance and reporting safeguards in place are adequate to deter and detect possible manipulative behavior which might arise from listing and trading binary options on exclusively listed index options designated for trading under Chapter 4, Section B during GTH and Curb. Furthermore, during GTH and Curb, binary options would trade in accordance with applicable Exchange Rules including governing customer accounts, position and exercise limits, margin requirements and trading halt procedures, among other Rules, which are designed to prevent fraudulent and manipulative acts

and practices. Clearing of the binary options as proposed will be supported by current Options Clearing Corporation processes. The proposed rule change makes no changes to the trading rules applicable to GTH or Curb.<sup>11</sup>

## 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.<sup>12</sup> Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)<sup>13</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. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)<sup>14</sup> requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, the Exchange believes the proposed rule change will facilitate transactions in securities, remove impediments to and perfect the mechanism of a free and open market and a

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<sup>11</sup> For example, business conduct rules in Chapter 8 and rules related to doing business with the public in Chapter 9 will continue to apply during the GTH session. Additionally, a broker-dealer’s due diligence and best execution obligations apply during the GTH trading session. As there will still be no open outcry trading on the floor during the GTH trading, Chapter 5, Section G will continue not to apply as such rules pertain to manual order handling and open-outcry trading.

<sup>12</sup> 15 U.S.C. 78f(b).

<sup>13</sup> 15 U.S.C. 78f(b)(5).

<sup>14</sup> Id.

national market system, and, in general, protect investors and the public interest. Specifically, the proposed rule change extends to binary broad-based index options the same GTH and Curb trading eligibility already available to exclusively listed standard broad-based index options on the same underlying indexes, similar to how FLEX Options are considered under current rules. Additionally, the proposed rule change will permit the Exchange to list binary options overlying broad-based indexes with more overlapping hours on a national securities exchange as alternatives to products that are structured in substantially the same manner as binary options currently available on other platforms. Various market platforms that are not registered as national securities exchanges currently offer products structured in substantively the same manner as binary options on broad-based indexes that the Exchange may list pursuant to current Rules. These platforms are open 24 hours a day, seven days a week, and offer binary option products overlying securities indexes. However, as these venues are not national securities exchanges, they do not offer investors the benefits of centralized liquidity, market transparency, or securities regulations intended to protect investors. The Exchange believes listing competitive products on a securities exchange during additional hours may will offer investors an alternative to trade these products outside of the regular trading day in a centralized, regulated, and standardized marketplace, which promotes price discovery and transparency. The Exchange believes its proposal would contribute to leveling the playing field with these alternative markets.

As noted above, the proposed change does not alter the criteria by which the Exchange designates index options as eligible for trading during GTH or Curb, nor does it alter the underlying eligibility criteria for binary index options. Rather, the proposed change ensures that binary index options, which already share the same RTH as corresponding options on the same

underlying index,<sup>15</sup> are treated consistently with respect to GTH and Curb trading designations. Extending GTH and Curb eligibility to binary index options on the same underlying broad-based indexes promotes consistency across products and provides market participants with a more uniform trading experience.

The listing of binary options for trading during GTH and Curb will provide more investment opportunities within the options trading industry that is consistent with the continued globalization of the securities markets. Extending the timeframe in which investors may trade eligible binary options is designed to provide investors with the ability to manage risk more efficiently, react to global macroeconomic events as they are happening and adjust binary options positions nearly around the clock.

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 applies uniformly to all binary index options on any underlying index for which the Exchange has designated a corresponding class of index options as eligible for GTH or Curb trading. If the Exchange determines to list eligible binary options for trading during GTH and Curb, all TPHs will be able, but not be required, to trade such binary options during GTH and Curb trading sessions. The proposed rule change is merely extending the permissible trading hours of a product that may trade on the Exchange during RTH.

The Exchange does not believe that the proposed rule change will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because provides the Exchange may only designate certain exclusively listed index options

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<sup>15</sup> See Rule 5.1(b)(2)(G).

as eligible for trading during GTH or Curb. As such, any binary options eligible for trading during GTH or Curb as a result of the proposed rule change would be proprietary Exchange products. To the extent that listing such binary options on the Exchange during GTH and Curb may make the Exchange a more attractive marketplace to market participants at other exchanges, such market participants are free to elect to become market participants on the Exchange. Other exchanges are free to update their rules to permit extended trading hours in products that trade on their markets.

Ultimately, the proposal is designed to increase competition for order flow in binary options. As noted above, substantively similar products to binary broad-based index options are available on various other markets, which make their products available 24 hours a day. The proposed rule change will permit the Exchange to list binary options on the same underlying indexes as these markets during extended trading hours (nearly 24 hours a day, five days a week) that further overlap with the hours of those markets, which will ultimately promote competition by offering investors an additional venue to trade these products outside of the regular trading day.

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

Because the foregoing proposed rule change does not:

- A. significantly affect the protection of investors or the public interest;
- B. impose any significant burden on competition; and
- C. become operative for 30 days from 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>16</sup> and Rule 19b-4(f)(6)<sup>17</sup> 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.

#### 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](mailto:rule-comments@sec.gov). Please include file number SR-CBOE-2026-028 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-2026-028. 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

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<sup>16</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>17</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 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.

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-2026-028 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>18</sup>

**Sherry R. Haywood,**

*Assistant Secretary.*

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<sup>18</sup> 17 CFR 200.30-3(a)(12).