

SECURITIES AND EXCHANGE COMMISSION

Release No. 34-105369; File No. SR-CBOE-2026-045

Self-Regulatory Organizations; Cboe Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Adopt a Stock Loan Inventory Functionality for Silexx

May 5, 2026.

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 April 28, 2026, 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, II, and III 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 Act³ 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

The Exchange proposes to add a real-time broker stock loan inventory functionality for Silexx.

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

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).

(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 add a real-time broker stock loan inventory functionality to Silexx (the “Short Locate Service”). As discussed further below, the Short Locate Service is a new FIX connectivity offering that a broker utilizing Silexx (a “Silexx broker”) may provide to its customers utilizing Silexx (a “Silexx user”). This allows for the Silexx broker to provide its Silexx users with a real-time view of the Silexx broker’s inventory. This Short Locate Service will be requested, and purchased, by the Silexx broker and provided to its Silexx users. The Exchange believes that the integration of the Short Locate Service into a Silexx user’s interface will create a more efficient process for Silexx users and brokers alike.

By way of background, the Silexx platform consists of a “front-end” order entry and management trading platform (also referred to as the “Silexx terminal”) for listed stocks and options that supports both simple and complex orders, and a “back-end” platform which provides connection to the infrastructure network. The Silexx platform (collectively, the front-end and back-end platform) has the capability to send options orders to the U.S. options exchanges, send

stock orders to the U.S. stock exchanges (and other trading centers), and input parameters to control the size, timing, and other variables of their trades. The Silexx platform can also provide users with access to real-time options and stock market data, as well as access to certain historical data. The Silexx platform is designed so that a Silexx user may enter orders into the platform to send to a Silexx broker (including Trading Permit Holders (“TPHs”)) of its choice and such Silexx broker will then send the orders to Cboe Options (if the broker is a TPH) or other U.S. exchanges (and trading centers) in accordance with the Silexx user’s instructions. The Silexx platform is a software application that is installed locally on a user’s desktop. Silexx grants users licenses to use the platform, and a firm or individual does not need to be a TPH to license the platform.

As noted above, Silexx users may utilize the Silexx platform to send stock orders to the U.S. stock exchanges as well as other trading centers. Amongst other order types, Silexx users may choose to enter short sell orders into the Silexx platform. A short sale is the sale of a security which the seller does not own or any sale which is consummated by the delivery of a security borrowed by, or for the account of, the seller.⁵ Short sales are governed by Regulation SHO,⁶ which, amongst other things, mandates that prior to effecting a short sale in a stock, that the executing broker has (i) borrowed the security, (ii) entered into a bona-fide arrangement to borrow the security, or (iii) has reasonable grounds to believe that the security can be borrowed so that it can be delivery on the date delivery is due (the “Locate Requirement”).⁷ However, there are exceptions to the Locate Requirement under Regulation SHO.

⁵ See 17 CFR §242.200 - Definition of “short sale” and marking requirements.

⁶ See Regulation SHO, Regulation of Short Sales, 17 CFR §§242.200-242.204

⁷ See Regulation SHO, Borrowing and delivery requirements, 17 CFR §242.203(b)(1)-(2).

Specifically that the Locate Requirement does not apply to (i) a broker or dealer that has accepted a short sale order from another registered broker or dealer that is required to comply with the Locate Requirement, unless the broker or dealer relying on this exception contractually undertook responsibility for compliance with the Locate Requirement; (ii) any sale of a security that a person is deemed to own pursuant to § 242.200, provided that the broker or dealer has been reasonably informed that the person intends to deliver such security as soon as all restrictions on delivery have been removed; if the person has not delivered such security within 35 days after the trade date, the broker-dealer that effected the sale must borrow securities or close out the short position by purchasing securities of like kind and quantity; (iii) short sales effected by a market maker in connection with bona-fide market making activities in the security for which this exception is claimed; and (iv) transactions in security futures.⁸

Today, when a Silexx user enters a short sale order into the Silexx platform, they may either (if they are a broker-dealer) route that order directly to a U.S. stock exchange, or another trading venue (e.g., an off-exchange trading venue such as an alternative trading system). Alternatively, a Silexx user (both broker-dealers and non-broker-dealers) may choose to route their short sale order to a Silexx broker with which the Silexx user has a pre-existing relationship. To comply with the Locate Requirement, the Silexx user must locate the security to be sold short. Today, the manner in which a Silexx user satisfies the Locate Requirement depends on whether the security to be sold short is easy to borrow (“ETB”)⁹ or hard to borrow (“HTB”).¹⁰ In either case, the Silexx user must ensure that their short sale order ticket is

⁸ See 17 CFR §242.203(b)(2).

⁹ For the sake of clarity, the term “easy to borrow” or “ETB” is generally understood to refer to stocks that are typically highly liquid and as such, are often readily available for borrowing.

¹⁰ For the sake of clarity, the term “hard to borrow or “HTB” is generally understood to refer to stocks that are not easy to borrow.

populated with a locate ID, which is a value identifying the broker-dealer the Silexx user has located as the source from which they can borrow the security to be sold short. If a sell short order does not have a valid locate ID, Silexx will not allow the order to proceed to an exchange or trading center, or to an executing broker.¹¹

Current ETB Short Sale Workflow

Currently, Silexx users wishing to sell short a security rely on ETB lists to satisfy the Locate Requirement.¹² An ETB list is a catalogue of securities that a Silexx broker has in its inventory, and the quantity that is available to be borrowed by a market participant that seeks to sell short a stock. Today, Silexx brokers upload their ETB Lists to Silexx on a daily basis, and Silexx users who have relationships with these Silexx brokers may use these ETB lists to locate a Silexx broker from which the security can be borrowed. A Silexx user may have access to one or several ETB lists, depending on the number of Silexx brokers with which they maintain relationships. Once the Silexx user enters a short sale order the Silexx platform will utilize the ETB list(s) the Silexx user has access to, and should the security appear on an ETB list, Silexx will populate the Silexx user's short sale order with a relevant locate ID.

Currently, the inventory, quantity, and borrowing costs of securities on ETB lists are static, and do not update in real-time. As such, a Silexx user may inadvertently sell short a security based on an inaccurate view of the available quantity of a security a Silexx broker has available to lend, and/or based on an inaccurate understanding of the cost of borrowing a security at the time of the transaction.

¹¹ The Locate ID represents the lending entity and documents that the user has located borrowable shares.

¹² See "Division of Market Regulation: Responses to Frequently Asked Questions Concerning Regulation SHO," Question 4.2: How may broker-dealers use Easy to Borrow lists?" available at: <https://www.sec.gov/rules-regulations/staff-guidance/trading-markets-frequently-asked-questions-8>.

Current HTB Short Sale Workflow

Silexx users cannot rely on the ETB workflow for HTB securities. Instead, Silexx users utilize processes and systems outside of Silexx to locate a broker-dealer from which the subject security can be borrowed. Once that locate is identified the Silexx user must then manually enter the locate ID into their order ticket. If no locate ID is populated, Silexx will not allow the order to proceed. These manual processes can make short selling in Silexx more time consuming and less efficient than necessary.

Proposed Short Sale Workflow

Based on Silexx broker feedback, the Exchange now seeks to enhance Silexx's short sale workflows by implementing functionality providing Silexx users with a real-time view of the stock loan inventory of a Silexx broker with which they have a stock lending relationship ("Short Locate Service"). Under the new proposed Silexx offering, a Silexx broker may permission its users to have a live view into its inventory (including both ETB and HTB stocks). The inventory will note both the quantity available and the fee at which a Silexx broker will loan the security. A Silexx user may also automatically send a request using this Silexx offering to its broker to borrow the stock in question, which the broker can respond to. After the Silexx broker responds, the locate ID is automatically populated for the user when its order is sent.

Specifically, the Exchange seeks to integrate the Silexx Platform with the stock locate systems of Silexx brokers via FIX ports that Silexx brokers may purchase from the Exchange, which a Silexx broker can then make available to its Silexx users.¹³ By connecting via FIX to a Silexx broker's stock locate system, Silexx users will have a tool that provides them with real-

¹³ The Exchange will separately submit a fee filing for the FIX ports described herein.

time visibility into a Silexx broker's stock loan inventory,¹⁴ the quantity available for borrowing, the pricing for borrowing a security, as well as acceptance controls to secure a locate and potential borrow from the broker-dealer. By streamlining sell short workflows within Silexx, Silexx users will be able to more efficiently execute short sale transactions in the Silexx platform, thereby enhancing their ability to comply with the Locate Requirement.¹⁵

The proposed functionality will enable Silexx users to view the available borrowable quantity of a security on an ETB list, and the related borrowing costs, in real-time.¹⁶ As noted above, the ETB list in Silexx, today, is static in nature. As such, a Silexx user may inadvertently sell short a security based on an inaccurate understanding of the cost of borrowing a security at the time of the transaction. By enhancing Silexx to provide a real-time view of ETB lists, Silexx users will have a better view of the lending market for a security and will be better enabled to comply with the Locate Requirement.

The Exchange also seeks to enhance Silexx short sale functionality by providing Silexx users with a real-time view into a Silexx broker's inventory for securities that are HTB. This functionality will enable Silexx users to view the inventory of a Silexx broker, with which they have a pre-existing relationship, in real-time, as well as request in real-time the cost of obtaining a locate for and borrowing a subject security. Once a locate on a security has been identified and agreed to, the Silexx platform will populate the Silexx user's short sale order ticket with the relevant locate ID and will, based on the Silexx user's instruction, either route the order to an exchange or trading center, or to a Silexx broker. By eliminating the manual processes that exist

¹⁴ It is ultimately up to the brokers to communicate the inventory to Silexx. When a broker pushes an update of its inventory to Silexx, Silexx will reflect that change via the FIX connection to the Broker's Silexx users.

¹⁵ Silexx users must comply with Regulation SHO, Borrowing and delivery requirements, 17 CFR §242.203(b)(1)-(2), regardless of how they use the Silexx platform.

¹⁶ The quantity available will decrease upon a user borrowing.

in Silexx today, Silexx users will have a more efficient and expeditious way to execute short transactions in HTB securities.

To illustrate the proposed enhancements, consider the following examples:

Example 1: Current State - ETB

A Silexx user enters an order into the Silexx platform to sell short security, ABC. Upon entry of the short sale order, Silexx will use the ETB list(s) to which the Silexx user has access, to verify whether ABC is on an ETB list. If ABC is easy to borrow, Silexx will populate the Silexx user's short sale order ticket with a relevant locate ID. Silexx will then allow the order to proceed to an exchange or trading venue for execution, or to an executing broker of the Silexx user's choosing. Notably, when accessing the ETB list(s), the Silexx user is not viewing in real-time the available quantity a lending broker-dealer has in inventory, or the real-time cost of borrowing such a security.

Example 2: Proposed State - ETB

A Silexx user enters an order into the Silexx platform to sell short security ABC. Upon entry of the short sale order, Silexx will use the ETB list(s) to which the Silexx user has access to verify whether ABC is on an ETB list. If ABC is easy to borrow, Silexx will populate the Silexx user's short sale order ticket with a relevant locate ID. Silexx will then allow the order to proceed to an exchange or trading venue for execution, or to an executing broker of the Silexx user's choosing. However, with the implementation of the proposed functionality, the Silexx user's view of the ETB list(s) will now be in real-time, and Silexx will now see a real-time view of the quantity of ABC the Silexx broker has in its inventory to lend. As such, the true cost of borrowing is known at the time of order entry.

Example 3: Current State - HTB

A Silexx user enters an order to sell short security, XYZ, into the Silexx platform. XYZ is HTB, and the Locate Requirement must be satisfied in a different manner. The Silexx user then sources a locate for security, XYZ, utilizing systems and/or processes that exist outside of Silexx. Once the Silexx user has located a broker-dealer from which they can borrow XYZ, the Silexx user then manually populates their Silexx short sale order ticket with a valid locate ID. With a valid locate ID, Silexx allows the order to proceed, and handles the order according to the Silexx user's instructions.

Example 4: Proposed State - HTB

A Silexx user enters an order to sell short security, XYZ, into the Silexx platform. XYZ is HTB and the Locate Requirements must be satisfied in a different manner. Now, under the proposed functionality, rather than utilizing processes and system outside of Silexx, and having to manually input the locate ID into the Silexx short sale order ticket, the Silexx user can utilize the enhanced Silexx short sale functionality. Specifically, upon a Silexx user entering its order to sell short, XYZ, Silexx will view the stock loan inventory of Silexx brokers with which the Silexx user has a stock lending relationship. In doing so, the Silexx user has a real time view of the quantity of a security available to borrow, and the real-time cost of locating and potentially borrowing such security. Once a Silexx broker has been identified as a locate source, Silexx will populate the Silexx user's short sale order ticket with the relevant locate ID, and from there, will allow the sell short order to proceed.

Connectivity

As noted above, the use of this service will be through a new FIX offering (as opposed to the existing ETB list which is a daily file that is integrated into a Silexx user's platform). Silexx

brokers will pay a monthly fee for this proposed FIX session¹⁷ which they can then permission its users for access to the FIX locate inventory user interface (including both ETB and HTB stocks) and Silexx users can route short locate requests directly to their Silexx brokers. The Exchange notes that there will be no additional connectivity requirements for a Silexx broker's Silexx user(s) (i.e., Silexx users will not need to pay for any additional connectivity).

The proposed Short Locate Service, would be a new FIX offering separate from the existing FIX offerings¹⁸ for Cboe Silexx.¹⁹ This FIX connection would be requested by the Silexx broker, from which, the Silexx broker can allow its Silexx users access to its inventory. These Silexx users would then be permissioned for a live view of the Silexx broker's inventory and may also use this FIX connection to directly submit an inquiry to the Silexx broker about a specific stock through a streamlined process for its inventory. The integration of the Short Locate Service into a Silexx user's interface will create a more efficient process for Silexx users and brokers alike.

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.²⁰ Specifically, the

¹⁷ The Exchange will submit a fee filing to the Commission separately.

¹⁸ Currently in Cboe Silexx, the FIX ports can fulfill a variety of purposes, one of which includes sending execution messages to customers from their executing brokers, which, in turn, allows customers to update positions, risk calculations, and streamline back-office functions.

¹⁹ See Cboe Exchange, Inc., Silexx Fee Schedule, noting the monthly cost for a FIX connection for staged orders, drop copies, and order routing functionality for FIX connections. For example, the current schedule allows for staged Drop Copies, and Order Routing Functionality for FIX Connections for \$250/month/FIX connection that is paid for by the user.

²⁰ 15 U.S.C. 78f(b).

Exchange believes the proposed rule change is consistent with the Section 6(b)(5)²¹ 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)²² 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 that offering the proposed Short Locate Service protects investors and is in the public interest because it will allow Silexx users to more efficiently fulfill their regulatory obligations under the Locate Requirement. By allowing Silexx users access to a tool that provides them with automated real-time visibility into its Silexx broker's stock loan inventory, Silexx users will be able to streamline their workflows in a more efficient manner. By streamlining sell short workflows within Silexx, Silexx users will be able to more efficiently execute short sale transactions in the Silexx platform, thereby enhancing their ability to comply with the Locate Requirement.

The Exchange believes the proposed rule change does not discriminate among market participants because use of the Cboe Silexx platform, and more specifically, the proposed short sale functionality, is completely voluntary. The Short Locate Service is available as a convenience to Silexx broker, and in turn, their Silexx users. Silexx brokers may continue to use

²¹ 15 U.S.C. 78f(b)(5).

²² Id.

the daily ETB file and are under no obligation to use the Short Locate Service. Additionally, the proposed functionality will be available to all Silexx brokers who find value in this service.

Silexx brokers can provide the proposed functionality to allow its Silexx users that have a relationship with the Silexx broker to access a tool that provides them with automated real-time visibility into a Silexx broker's stock loan inventory, the quantity available for borrowing, the pricing for borrowing a security, as well as acceptance controls to secure a borrow from the Silexx broker.

The Exchange believes that this additional, optional functionality that Silexx brokers may purchase and offer to its users will create a more efficient process for users and brokers alike.

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 change will not impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because the Exchange will make the Short Locate Service available to all Silexx brokers who believe their Silexx users would benefit from this optional service.

As described in detail above, the use of the Short Locate Service will be completely voluntary and Silexx brokers may continue to use the existing ETB file if they believe it better fits their use case.²³ The proposed functionality is not an exclusive means of complying with a Silexx user's requirements under the Locate Requirement, and if market participant believe that other products, vendors, front-end builds, etc. available in the marketplace are more beneficial

²³ See [Cboe-Silexx-Announcement_v23-6_20230620.pdf](#), announcing the release of the easy-to-borrow and locate ID integration.

than the proposed functionality, they may simply use those products instead. Use of such functionality is completely voluntary.

The Exchange does not believe that the proposed change will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because Cboe Options will be offering a type of product that is widely available throughout the industry.²⁴ As noted above, market participants can also develop their own proprietary products with the same functionality. The Exchange will also continue to offer the ability for users to continue using the daily ETB file.

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 Act²⁵ and Rule 19b-4(f)(6)²⁶ 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

²⁴ See e.g., [Takion Technologies](#).

²⁵ 15 U.S.C. 78s(b)(3)(A).

²⁶ 17 CFR 240.19b-4(f)(6).

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. Please include file number SR-CBOE-2026-045 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-2026-045. 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-2026-045 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

J. Matthew DeLesDernier,

Deputy Secretary.

²⁷ 17 CFR 200.30-3(a)(12).