

# SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105569; File No. SR-CBOE-2025-079]

## Self-Regulatory Organizations; Cboe Exchange, Inc.; Order Approving a Proposed Rule Change, as Modified by Amendment No. 1, to Allow for Extended Trading of Multi-Listed Equity Options

May 28, 2026.

### 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) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change 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>3</sup> On November 3, 2025, pursuant to Section 19(b)(2) of the Act,<sup>4</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>5</sup> On December 23, 2025, the Commission instituted proceedings under Section 19(b)(2)(B) of the Act to determine whether to approve or disapprove the proposed rule change.<sup>6</sup> On March 23, 2026, pursuant to Section 19(b)(2) of the Act,<sup>7</sup> the Commission designated

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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> See Securities Exchange Act Release No. 104160 (Sep. 30, 2025), 90 FR 48091 (“Notice”).

<sup>4</sup> 15 U.S.C. 78s(b)(2).

<sup>5</sup> See Securities Exchange Act Release No. 104173, 90 FR 51424 (Nov. 17, 2025).

<sup>6</sup> See Securities Exchange Act Release No. 104509, 90 FR 61454 (Dec. 31, 2025).

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

a longer period within which to approve or disapprove the proposed rule change.<sup>8</sup> On April 2, 2026, the Exchange filed Amendment No. 1 to the proposed rule change, which superseded the proposed rule change as originally filed and replaced it in its entirety.<sup>9</sup> The proposed rule change, as modified by Amendment No. 1, was published for comment in the Federal Register on April 9, 2026.<sup>10</sup> The Commission received comments on the proposed rule change.<sup>11</sup> This order approves the proposed rule change, as modified by Amendment No. 1.

## II. Description of the Proposed Rule Change, as Modified by Amendment No. 1<sup>12</sup>

Currently, the Exchange offers three trading sessions: (i) Regular Trading Hours (“RTH”);<sup>13</sup> (ii) Curb Trading Hours (“Curb”);<sup>14</sup> and (iii) Global Trading Hours (“GTH”).<sup>15</sup> Multi-listed equity options currently may trade on the Exchange only during RTH, from 9:30 a.m. through 4:00 p.m.,<sup>16</sup> except equity options overlying certain designated Exchange Traded

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<sup>8</sup> See Securities Exchange Act Release No. 105063, 91 FR 14730 (Mar. 26, 2026).

<sup>9</sup> See <https://www.sec.gov/comments/SR-CBOE-2025-079/srcboe2025079-740147-2298235.pdf>.

<sup>10</sup> See Securities Exchange Act Release No. 105153 (Apr. 6, 2026), 91 FR 18010 (“Amendment No. 1”). Amendment No. 1 provides additional detail regarding and support for the proposal. In addition, Amendment No. 1 revises the proposal such that it: (1) classifies the proposed extended afternoon session of 4:00-4:15 p.m. as a “Curb” session (instead of as a “GTH” session as initially proposed), and makes related rule text changes regarding series eligibility; (2) sets forth a selection and removal process for the equity options that may be traded on the Exchange during the proposed extended trading sessions; (3) describes when the Exchange would disseminate opening auction updates; (4) specifies when FLEX equity option orders may be submitted; (5) extends the Exchange’s order routing processes to the proposed extended morning session; and (6) updates the Exchange’s Global Trading Hours and Curb Trading Hours Disclosure.

<sup>11</sup> All comments received by the Commission on the proposed rule change are available on the Commission’s website at: <https://www.sec.gov/rules-regulations/public-comments/sr-cboe-2025-079>.

<sup>12</sup> The Exchange sets forth additional detail and justification regarding the proposal in Amendment No. 1. See supra note 10. Capitalized terms not defined herein are defined in the Exchange’s rules.

<sup>13</sup> RTH occurs from 9:30 a.m. to 4:00 p.m. or 4:15 p.m., depending on the specific security, Monday through Friday. See Rule 5.1(b)(1). All times referenced are Eastern Time, unless otherwise specifically noted.

<sup>14</sup> The current Curb session occurs from 4:15 p.m. to 5:00 p.m., Monday through Friday. See Rule 5.1(d).

<sup>15</sup> The current GTH session occurs from 8:15 p.m. to 9:25 a.m. the next day, Monday through Friday. See Rule 5.1(c).

<sup>16</sup> See Amendment No. 1, supra note 10, at 18011.

Funds (“ETFs”), Exchange Traded Notes (“ETNs”), Index Portfolio Shares, Index Portfolio Receipts, and Trust Issued Receipts (collectively herein, “ETP options”) are eligible to trade until 4:15 p.m. as part of RTH.<sup>17</sup> The Exchange’s exclusively-listed index options, by contrast, currently may trade during GTH and Curb, in addition to during RTH.<sup>18</sup>

As discussed more fully in Amendment No. 1, the Exchange proposes to amend Rule 5.1(c) to provide for extended trading sessions for multi-listed equity options that meet certain eligibility criteria, as well as for FLEX options overlying the same equity.<sup>19</sup> The Exchange would permit trading Monday through Friday in designated equity options before and after RTH.<sup>20</sup> The proposed extended morning trading session, which the Exchange would classify as a GTH session, would occur from 7:30 a.m. to 9:25 a.m.<sup>21</sup> The proposed extended afternoon session, which the Exchange would classify as a Curb session, would occur immediately after RTH for equity options (that are not ETP options that already trade until 4:15 p.m. as part of RTH), from 4:00 p.m. to 4:15 p.m.<sup>22</sup> The Exchange states that equity trading already occurs outside of regular market hours on equity exchanges, but because equity option trading hours have not changed, investors are unable to access the options markets during the extended trading

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<sup>17</sup> See Rule 5.1(b)(1).

<sup>18</sup> See Rule 5.1(c)-(d). Currently, options on the S&P 500 Index, CBOE Volatility Index, Cboe Mini SPX Index Options, Russell 2000 Index, Mini-Russell 2000 Index, and Cboe Magnificent 10 Index are approved for trading during GTH and Curb. See id.

<sup>19</sup> See proposed Rule 5.1(c).

<sup>20</sup> See id.

<sup>21</sup> See id. The Exchange proposes to add references to equity options and Rule 4.5 (Series of Options Contracts Open for Trading) to current Rule 5.1(c)(2) in order to facilitate the trading of any series in eligible equity option classes that trade during the proposed GTH session. Furthermore, the Exchange proposes a technical change to renumber current Rules 5.1(c)(2), (3), and (4) as Rules 5.1(c)(3), (4), and (5), respectively, because, as further explained below, the Exchange proposes to add a new Rule 5.1(c)(2).

<sup>22</sup> See proposed Rule 5.1(d). The Exchange also proposes to add references to equity options and Rule 4.5 to current Rule 5.1(d)(2) in order to facilitate the trading of any series in eligible equity option classes that trade during the proposed Curb session. Furthermore, the Exchange proposes a technical change to renumber current Rules 5.1(d)(2), (3), and (4) as Rules 5.1(d)(3), (4), and (5), respectively, because, as further explained below, the Exchange proposes to add a new Rule 5.1(d)(2).

hours when equities may trade, which limits investors' ability to hedge equity transactions with options or utilize options for other investment purposes or strategies.<sup>23</sup> The Exchange also believes that the proposed extended trading sessions will make equity options trading more accessible to investors in other countries and to U.S. investors who wish to trade options in expanded trading sessions alongside the underlying equities.<sup>24</sup>

The Exchange proposes eligibility criteria that must be satisfied by each class of equity options made available for trading during the proposed extended trading sessions, as well as a cap on the total number of eligible classes that may be made available. Specifically, under proposed Rules 5.1(c)(2) and 5.1(d)(2),<sup>25</sup> the Exchange may designate for trading during the proposed GTH and Curb sessions up to 100 actively-traded, equity option classes that meet the following minimum criteria for the preceding six calendar months: (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>26</sup> The Exchange may also designate for trading during the proposed GTH and Curb sessions any equity option that is traded on another exchange during GTH or any other trading session that is not RTH; any such equity option would not be subject to

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<sup>23</sup> See Amendment No. 1, supra note 10, at 18012.

<sup>24</sup> See id. The Exchange states that, whereas certain processing aspects of GTH and Curb for equity options require explicit additions to the Exchange's rules, other GTH and Curb trading rules as currently stated would apply to equity options designated for trading in the proposed extended sessions. These rules cover, among other things, (i) electronic-only trading in GTH and Curb sessions, (ii) participation requirements, (iii) obvious errors, (iv) auction functionality, (v) risk controls, (vi) unavailability of market orders, (vii) market maker obligations, and (viii) utilization of existing series listing criteria. See Amendment No. 1, supra note 10, at 18017.

<sup>25</sup> Proposed Rule 5.1(c)(2) sets forth the eligibility criteria for equity options to trade during the proposed GTH session, and proposed Rule 5.1(d)(2) permits the Exchange to designate as eligible for trading during the proposed Curb session any option that the Exchange designates to trade during the proposed GTH session pursuant to proposed Rule 5.1(c)(2).

<sup>26</sup> See proposed Rule 5.1(c)(2). See also Amendment No. 1, supra note 10, at 18013-14.

the 100-class limit.<sup>27</sup> Moreover, if the Exchange designates a class of equity options as eligible for trading during the proposed GTH and Curb sessions, FLEX options with the same underlying equity security also would be deemed eligible for the proposed extended trading sessions.<sup>28</sup>

The Exchange would undertake a periodic review of the proposed eligibility criteria and, if necessary, remove equity options from the proposed GTH and Curb sessions that no longer meet the criteria.<sup>29</sup> Specifically, the Exchange would engage in a semiannual review process—with two review cycles occurring as of January 1 and July 1 of each year—and utilize trading data from the previous six-month period to determine the equity option classes that meet the requirements of proposed Rule 5.1(c)(2).<sup>30</sup> Eligible equity option classes designated by the Exchange would be permitted to commence trading during the proposed GTH and Curb sessions on the first trading day of February and August, respectively.<sup>31</sup>

If the Exchange determines that an equity option class trading during the proposed GTH and Curb sessions no longer meets the eligibility criteria, the Exchange would impose an up-to-18-month removal process.<sup>32</sup> Specifically, under the proposal: (i) the equity option class may continue to trade in the proposed GTH and Curb sessions for up to 18 months from the date of such determination, and the Exchange would establish and provide reasonable advanced notice of the

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<sup>27</sup> See proposed Rule 5.1(c)(2).

<sup>28</sup> See *id.*

<sup>29</sup> See proposed Rules 5.1(c)(2) and 5.1(d)(2). See also Amendment No. 1, *supra* note 10, at 18014. Proposed Rule 5.1(c)(2) sets forth the review process for the proposed GTH session, and pursuant to proposed Rule 5.1(d)(2), the same review process would apply for the proposed Curb session.

<sup>30</sup> See proposed Rules 5.1(c)(2)(A) and 5.1(d)(2). See also Amendment No. 1, *supra* note 10, at 18014. For the initial process to determine the equity options that meet the eligibility criteria, the Exchange would utilize data from the nearest six-month period ending either June 30 or December 31 prior to the launch of equity options trading in the proposed GTH and Curb sessions. See Amendment No. 1, *supra* note 10, at 18014.

<sup>31</sup> See Amendment No. 1, *supra* note 10, at 18014.

<sup>32</sup> See proposed Rules 5.1(c)(2)(B)-(C) and 5.1(d)(2). See also Amendment No. 1, *supra* note 10, at 18014-15.

date on which the equity option class would be removed from trading in the proposed sessions (“removal date”), after which the equity option class may only trade in RTH; (ii) if, before the removal date, the Exchange determines that limited market activity in the equity option class during the proposed GTH session warrants an accelerated removal date, the Exchange may set a new, accelerated removal date and will provide at least seven days’ advance notice of the new removal date; and (iii) notwithstanding the above, if, before the removal date, the Exchange determines pursuant to a semiannual review that the equity option class again meets the eligibility criteria, the removal date will no longer apply to the option class, and the option class may continue to trade in the proposed GTH and Curb sessions.<sup>33</sup> The Exchange also reserves the discretion to remove an option class from the proposed GTH and Curb sessions for reasons other than those described above, and it proposes to provide at least 30 days’ advance notice of such determination prior to the removal date.<sup>34</sup> But if the Exchange determines that immediate removal is necessary in the interest of investor protection or the maintenance of fair and orderly markets, the Exchange may remove an equity options class from the proposed GTH and Curb sessions at any time and will provide notice of such determination as soon as practicable.<sup>35</sup>

In addition to the proposed changes to Rules 5.1(c) and 5.1(d), the Exchange proposes rule amendments to support the proposed GTH and Curb 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>36</sup> Further, the Exchange proposes to amend the

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<sup>33</sup> See proposed Rules 5.1(c)(2)(B) and 5.1(d)(2).

<sup>34</sup> See proposed Rules 5.1(c)(2)(C) and 5.1(d)(2).

<sup>35</sup> See *id.*

<sup>36</sup> See Amendment No. 1, *supra* note 10, at 18016. Similarly, Rule 5.1(e) already states that there is no Curb Trading Hours on domestic and international holidays, and these provisions would also apply to equity options.

opening auction process in Rule 5.31 to incorporate GTH for equity options.<sup>37</sup> Rule 5.31(b) currently provides that the queuing period for GTH for All Sessions Classes<sup>38</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>39</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>40</sup> Additionally, the Exchange proposes to amend Rule 5.31(c) to specify that existing rule text stating that opening auction updates may begin after 8:00 p.m. (previous day) for GTH trading is applicable for index options, and to establish 7:15 a.m. as the time after which opening auction updates may be disseminated for equity options during the proposed GTH session.<sup>41</sup>

The Exchange also proposes to amend its rules to address order routing away from the Exchange during the proposed GTH and Curb sessions.<sup>42</sup> The Exchange states that its system is designed, at all times, to prevent trade-throughs and avoid displaying locked or crossed markets

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<sup>37</sup> See id. The Opening Auction Process is not applicable to the Curb session for equity options. See id.

<sup>38</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>39</sup> See Amendment No. 1, supra note 10, at 18016-17.

<sup>40</sup> See id.

<sup>41</sup> See id.

<sup>42</sup> See proposed Rule 5.36. The Options Order Protection and Locked/Crossed Market Plan (“Linkage Plan”) requires U.S. options exchanges to establish a framework for providing order protection and addressing locked and crossed markets in eligible options classes. The Linkage Plan is a national market system plan approved by the Commission pursuant to Section 11A of the Act and Rule 608 thereunder. See 15 U.S. C. 78k-1; 17 CFR 242.608. The full text of the Linkage Plan is available at [https://www.theocc.com/getcontentasset/7fc629d9-4e54-4b99-9f11-c0e4db1a2266/dfc3d011-8f63-43f6-9ed8-4b444333ald0/options\\_order\\_protection\\_plan.pdf](https://www.theocc.com/getcontentasset/7fc629d9-4e54-4b99-9f11-c0e4db1a2266/dfc3d011-8f63-43f6-9ed8-4b444333ald0/options_order_protection_plan.pdf).

in accordance with the Linkage Plan.<sup>43</sup> As proposed, Users' orders in equity options designated for trading during the proposed extended sessions would be eligible for routing just as they are during RTH.<sup>44</sup> Specifically, the Exchange proposes to amend Rule 5.36(a) to change the time when the order routing process is first available from 9:30 a.m. to "market open."<sup>45</sup> This proposed change is designed to enable Users to designate an order for routing (or not available for routing) during all trading sessions for equity options.<sup>46</sup>

The Exchange also proposes to amend its rules regarding FLEX options.<sup>47</sup> The Exchange proposes to amend Rule 5.71(b)(2) to specify that existing rule text stating that FLEX orders may be submitted after 8:15 p.m. (previous day) is applicable to FLEX orders for an index option, and to establish that an order for an equity FLEX option that is designated to trade during the proposed GTH session may be submitted after 7:30 a.m.<sup>48</sup> Similarly, the Exchange proposes to amend Rule 5.71(b)(3) to specify that existing rule text stating that FLEX orders may be submitted after 4:15 p.m. is applicable to FLEX orders for an index option, and to establish that an order for a FLEX equity option that is designated to trade during the proposed Curb session may be submitted after 4:00 p.m.<sup>49</sup>

Finally, Rule 9.20 provides required disclosures that a Trading Permit Holder must make to a customer prior to the customer trading during GTH and Curb. The Exchange proposes to update the rule to: (1) specify that existing references to the absence of an updated underlying

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<sup>43</sup> See Amendment No. 1, supra note 10, at 18016.

<sup>44</sup> See id. See also Rule 1.1 (stating that the term "User" means any Trading Permit Holders ("TPHs") or Sponsored User who is authorized to obtain access to the System pursuant to Rule 5.5).

<sup>45</sup> See proposed Rule 5.36(a).

<sup>46</sup> See Amendment No. 1, supra note 10, at 18016.

<sup>47</sup> See Rule 5.71 (Opening of FLEX Trading).

<sup>48</sup> See proposed Rule 5.71(b)(2). See also Amendment No. 1, supra note 10, at 18015-16.

<sup>49</sup> See proposed Rule 5.71(b)(3).

index or portfolio value or intraday indicative value, and lack of regular trading in the securities underlying the index or portfolio apply to index options during GTH and Curb; and (2) add new references to the absence of an underlying price or lack of regular trading in the underlying equity for equity options trading in the proposed GTH and Curb sessions.<sup>50</sup>

### III. Discussion and Commission Findings

After careful review, the Commission finds that the Exchange's proposed rule change, as modified by Amendment No. 1 ("Amended Proposal"), is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange.<sup>51</sup> In particular, the Commission finds that the Amended Proposal is consistent with Section 6(b)(1) of the Act,<sup>52</sup> which requires, among other things, that the Exchange be so organized and have the capacity to be able to carry out the purposes of the Act and to comply, and to enforce compliance by its members and persons associated with its members, with the provisions of the Act, Commission rules and regulations thereunder, and its own rules; Section 6(b)(5) of the Act,<sup>53</sup> which requires, among other things, that the rules of a national securities exchange be designed to promote just and equitable principles of trade, foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to and facilitating transactions in securities, remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, protect investors and the public interest; and Section 6(b)(8) of the Act,<sup>54</sup> which requires that the rules of a national securities

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<sup>50</sup> See Amendment No. 1, supra note 10, at 18017.

<sup>51</sup> In approving this proposed rule change, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

<sup>52</sup> 15 U.S.C. 78f(b)(1).

<sup>53</sup> 15 U.S.C. 78f(b)(5).

<sup>54</sup> 15 U.S.C. 78f(b)(8).

exchange not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

The Amended Proposal is novel in that no national securities exchange currently permits pre-RTH trading of multi-listed equity options or post-RTH trading of multi-listed equity options that are not ETP options. Even though equity securities are exchanged-traded outside of RTH,<sup>55</sup> investors currently are unable to engage in exchange trading outside of RTH to utilize equity option trading strategies, including to hedge equity positions and mitigate downside risk in those positions.<sup>56</sup> By extending the availability of equity options trading on the Exchange so that it begins at 7:30 a.m. and ends at 4:15 p.m., the Amended Proposal is reasonably designed to expand access to equity options as a tool for risk mitigation and help investors protect existing equity positions against price movements.

In addition, the Amended Proposal sets forth a measured approach for extending the Exchange trading sessions that are available for equity options, which is consistent with the Act.<sup>57</sup> Currently, the earliest available extended trading sessions for equity securities on national securities exchanges commence at 4:00 a.m. and conclude at 8:00 p.m.<sup>58</sup> The Exchange has proposed significantly shorter timeframes for the proposed GTH and Curb sessions, which the Exchange states is appropriate because of the lack of industry experience with extended trading sessions for equity options.<sup>59</sup> The Exchange states that limiting the proposed trading windows would allow for a paced introduction of these types of trading sessions for equity options.<sup>60</sup> The

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<sup>55</sup> See Amendment No. 1, supra note 10, at 18012.

<sup>56</sup> See id.

<sup>57</sup> See id.

<sup>58</sup> See id. at 18013.

<sup>59</sup> See id.

<sup>60</sup> See id.

Exchange also states that the limited timeframes will allow it to monitor and assess the development and functioning of the proposed GTH and Curb sessions for equity options.<sup>61</sup>

The Amended Proposal also is measured with respect to the equity option classes that would be available for trading during the Exchange's proposed extended trading sessions. Only highly liquid equity option classes that meet the eligibility criteria set forth in proposed Rules 5.1(c)(2) and (d)(2) would be available for trading during the proposed extended trading sessions. The Amended Proposal also caps the number of eligible equity option classes that would be available at 100, subject to another exchange offering extended trading of an equity option class that the Exchange has not offered, in which case the Exchange could add that class without it counting against the 100 class cap.<sup>62</sup> Moreover, the Amended Proposal sets forth a detailed review procedure to determine the equity option classes for inclusion in or removal from the proposed extended trading sessions. Further, the Amended Proposal modifies Exchange rules regarding series eligibility, the opening auction and opening of FLEX trading, order routing, and disclosure in a manner that is appropriately designed to facilitate the proposed extended trading of equity options.<sup>63</sup>

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<sup>61</sup> See id. The Exchange further states that it has discussed the proposal with numerous market participants, and, based on such discussions, it believes that market-makers, clearing firms, and other market participants can support the proposed trading timeframes from a personnel coverage perspective. See id.

<sup>62</sup> See proposed Rules 5.1(c)(2) and 5.1(d)(2). Initially, the Exchange would offer a subset of qualifying symbols for extended session trading pursuant to this proposal. See <https://www.cboe.com/notices/content/?id=59462>.

<sup>63</sup> See proposed Rules 5.1, 5.20, 5.31, 5.36, 5.71, and 9.20.

The Commission received comments on the proposal.<sup>64</sup> The commenters expressed support for the proposal,<sup>65</sup> and appreciation for its measured approach.<sup>66</sup> A commenter discussed the classification of the proposed extended afternoon trading session,<sup>67</sup> and the commenters discussed implementation matters relating to the collection and dissemination of consolidated market data and clearance and settlement.<sup>68</sup> The Exchange responded in the Amended Proposal as well as a letter responding to the submitted comments.<sup>69</sup>

#### A. Extended Afternoon Session Classification

One commenter requests clarification regarding how the Exchange would classify the proposed afternoon extended trading session of 4:00 p.m. – 4:15 p.m. and describes the potential implications for market participants of classifying this proposed session as GTH or RTH.<sup>70</sup> The Amended Proposal designates the proposed extended afternoon session as a Curb trading

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<sup>64</sup> See supra note 11. See also Letters from: Katie Kolchin, Managing Director, Head of Equity & Options Market Structure, and Gerald O’Hara, Vice President and Assistant General Counsel, The Securities Industry and Financial Markets Association, dated March 19, 2026 (“SIFMA First Letter”), April 24, 2026 (“SIFMA Second Letter”), and May 15, 2026 (“SIFMA Third Letter”); Angela Dunn, Principal Associate General Counsel, NASDAQ, dated December 18, 2025 (“Nasdaq Letter”).

<sup>65</sup> See Nasdaq Letter at 1.

<sup>66</sup> See SIFMA First Letter at 1.

<sup>67</sup> See id. at 3-5.

<sup>68</sup> See id. at 5-7; SIFMA Second Letter at 2-3; Nasdaq Letter at 1-2.

<sup>69</sup> See Amendment No. 1, supra note 10; see also Letter from Laura Dickman, Vice President, Associate General Counsel, Cboe Exchange, Inc., dated April 15, 2026 (“Cboe Letter”).

<sup>70</sup> See SIFMA First Letter, at 3-5. The Exchange previously considered classifying the proposed extended afternoon trading session as a new GTH session or, alternatively, as part of RTH. See Notice, supra note 3; see also SIFMA First Letter at 3. In light of that, this commenter sets forth pros and cons of each of those classifications. For example, the commenter states that designating the proposed extended afternoon session as GTH like the proposed extended morning session would force firms to create new FIX tags so that they could dictate whether their orders participate in either session. As a point of comparison, the commenter states that a firm currently may choose not to trade index options on the Exchange during the current Curb session for those options. The commenter also states that a GTH classification would ensure that firms’ front-end platforms and trade systems follow important GTH protocols like preventing market orders, whereas market participants would seek clarity regarding whether market orders would be available under a RTH classification. See SIFMA First Letter at 3-4. As discussed, infra, the Exchange, in Amendment No. 1, designates the proposed extended afternoon session as a Curb session, which addresses this commenter’s concerns.

session. The Curb designation aligns with existing Exchange terminology for the Curb trading session that already occurs after RTH on the Exchange for index options, and it would provide market participants with flexibility to specify the trading sessions outside of RTH during which their equity option orders may trade. In particular, the Curb designation would allow market participants to determine in which sessions their orders would trade outside of RTH, and for the exclusion of the proposed extended afternoon session if that is desired.<sup>71</sup> In addition, the Curb designation provides clarity that market orders would not be permitted during the proposed extended afternoon session (and they also would not be permitted during the proposed extended morning session).<sup>72</sup> Further, members with existing Exchange ports for RTH would not need new ports for the proposed extended trading sessions and would be able to utilize simple tags through their ports to indicate the trading session(s) in which an order may be executed.<sup>73</sup> Accordingly, designating the proposed extended afternoon session as a Curb session is consistent with Section 6(b)(5) of the Act.<sup>74</sup>

#### B. Implementation Matters

While broadly supporting the proposal, commenters state that, if it is approved, its implementation should be delayed in light of potential consolidated market data and clearance and settlement issues.<sup>75</sup> The Commission's consideration of these matters, therefore, centers on

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<sup>71</sup> See Amendment No. 1, supra note 10, at 18012. Orders marked for "All Sessions" would automatically carry over and be actionable across all sessions, while those marked as RTH-Only would not be actionable during the proposed GTH or Curb sessions; orders marked as RTH and Curb would be actionable during the RTH and the Curb sessions. See id. n.19.

<sup>72</sup> See Amendment No. 1, supra note 10, at 18017 (stating that Users will not be able to submit market orders in equity options during the proposed GTH and Curb sessions, as is the case today during GTH and Curb for index options).

<sup>73</sup> See id. at 18012.

<sup>74</sup> See proposed Rule 5.1; Cboe Letter at 1.

<sup>75</sup> See Nasdaq Letter; SIFMA First Letter; SIFMA Second Letter; SIFMA Third Letter.

consideration of an appropriate implementation period following this approval order. That is discussed in Section III.B.3 below, following discussion of the comments and Exchange responses regarding consolidated market data and clearance and settlement, in Sections III.B.1 and III.B.2 below, respectively.

### 1. Collection and Dissemination of Consolidated Market Data

Commenters ask whether the Options Price Reporting Authority (“OPRA”) would have the ability and capacity to collect and disseminate equity option quotation and transaction information for all options exchanges during the extended trading sessions that the Exchange has proposed.<sup>76</sup> OPRA has confirmed that its RTH platform would be able to support the proposed extended trading sessions for all exchanges, following a 30-day notice period to OPRA subscribers.<sup>77</sup> Moreover, the Exchange states that OPRA RTH lines would be used for quote distribution and trade data for equity options trading during its proposed extended trading sessions.<sup>78</sup>

### 2. Clearance and Settlement

Commenters raise several considerations that relate to clearance and settlement of equity option transactions during the proposed extended sessions and the Options Clearing Corporation’s (“OCC”) role,<sup>79</sup> including: (i) timing and accuracy of start-of-day positions and

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<sup>76</sup> See Nasdaq Letter at 1-2; SIFMA First Letter at 6.

<sup>77</sup> See Memorandum from the Division of Trading and Markets Regarding a March 4, 2026, Conference Call with Representatives of the Options Price Reporting Authority and the Securities Industry Automation Corporation, dated March 4, 2026.

<sup>78</sup> See Amendment No. 1, *supra* note 10, at 18018. The Exchange states that, although equity options activity would utilize OPRA RTH lines, GTH and Curb session trades would not be last trade eligible and would not count toward the daily high/low prices. See *id.* n. 56. The Exchange also states that Cboe proprietary index options will continue to be quoted and trade on the OPRA GTH system during GTH hours for index options. See *id.* n. 57.

<sup>79</sup> See SIFMA First Letter at 5-6; Nasdaq Letter at 2.

Regulation SHO implications;<sup>80</sup> (ii) potential impact on the clearing fund; (iii) potential additional capital requirements; (iv) potential margin impacts; (v) exercises and assignment notifications; (vi) settlement calculations; (vii) potential amendments to the Characteristics and Risks of Standardized Options, also known as the Options Disclosure Document (“ODD”); (viii) potential additional approvals for clearing members; and (ix) corporate actions and contract adjustments.<sup>81</sup> One commenter characterizes handling of corporate actions as the biggest hurdle in a successful transition to extended trading sessions for equity options.<sup>82</sup> This commenter states that the primary concerns in that regard revolve around corporate action events that significantly alter underlying positions and the timing of related announcements.<sup>83</sup>

In the Amended Proposal and Cboe Letter, the Exchange states that the OCC has indicated it is operationally ready to support equity option trading during the proposed extended trading sessions and would utilize its existing processes and margin requirements.<sup>84</sup> The Exchange states that, based on discussions with the OCC and certain clearing firms, the proposed extended trading sessions generally should not hinder existing processes, including with respect to start-of-day positions.<sup>85</sup> The Exchange states that the OCC and clearing firms have indicated

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<sup>80</sup> See SIFMA First Letter at 5; SIFMA Second Letter at 2-3. With regard to Regulation SHO, this commenter states that start-of-day positions must be accurate to correctly calculate and mark short and long positions; if clearing firm files, including contrary assignments, are delayed, start-of-day positions could be impacted, leading to potential mismarking or other issues. See SIFMA First Letter at 5.

<sup>81</sup> See SIFMA First Letter at 5-7; Nasdaq Letter at 2.

<sup>82</sup> See SIFMA First Letter at 7.

<sup>83</sup> Id.

<sup>84</sup> See Amendment No. 1, supra note 10, at 18019; Cboe Letter at 2-3. The Exchange states that OCC already clears during extended trading sessions for certain Cboe index options as well as certain ETF options and other products that are eligible pursuant to Exchange rules to trade until 4:15p.m. as part of RTH and, therefore, has the functionality to support the proposed GTH and Curb trading sessions for equity options. See Amendment No. 1, supra note 10, at 18019; Cboe Letter at 2-3.

<sup>85</sup> See Amendment No. 1, supra note 10, at 18013. See also Cboe Letter at 2. The Exchange states that clearing firms have indicated that the proposed extended trading session times generally should not hinder processing because such processing is typically completed on the trading day. See Amendment No. 1, supra note 10, at 18013.

that their end-of-day processes are designed to complete on the same trading day, well before midnight.<sup>86</sup> The Exchange states that, as such, it does not expect the proposed GTH session to have any impact on daily processing when processing occurs in the normal course, and the proposed GTH session is not a concern from the Regulation SHO perspective.<sup>87</sup>

The Exchange acknowledges that a corporate action that significantly impacts the value of a security may be announced while the equity option overlying the security is trading during the proposed Curb session.<sup>88</sup> The Exchange states that if such an announcement results in a halt of the underlying security, trading in the equity option should also halt.<sup>89</sup> The Exchange also states that announcements of the effectiveness of a corporate action made after 4:00 p.m. are similar to the announcement of a corporate action that is made prior to 4:00 p.m.<sup>90</sup> The Exchange states that, as such, corporate action announcements made during the proposed extended afternoon session would generally have the same impact as corporate actions that are announced as effective during the RTH session.<sup>91</sup>

### 3. Implementation Timing

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<sup>86</sup> See Amendment No. 1, supra note 10, at 18013, 18019.

<sup>87</sup> See id. See also Cboe Letter at 2. The Exchange also states that it and the OCC intend to apply to the proposed extended equity option trading sessions the existing authorization procedures that apply to GTH trading of index options on the Exchange. See Amendment No. 1, supra note 10, at 18019. An Exchange member that is already authorized for GTH trading of index options would not require any further Exchange or OCC authorizations to trade equity options during the proposed GTH session. Exchange members that are not currently authorized for GTH trading of index options but wish to trade equity options during the proposed GTH session would be required to receive authorization from both the OCC and the Exchange before doing so. No special authorization is required for participation in the proposed Curb session. See Amendment No. 1, supra note 10, at 18019.

<sup>88</sup> See Amendment No. 1, supra note 10, at 18014.

<sup>89</sup> See id.

<sup>90</sup> See id.

<sup>91</sup> See id. The Exchange also states that it continues to participate in industry discussions to address concerns about late corporate action notifications and the impacts they can have on option contract adjustments and option positions during all trading sessions (not just extended trading hours). See Cboe Letter at 2. Further, the Exchange states that it is preparing a separate rule filing that would provide the Exchange with authority to address certain scenarios as part of obvious error rules. See id.

As noted above, the Commission’s consideration of the consolidated market data and clearance and settlement matters raised by commenters centers on consideration of an appropriate implementation period following this approval order. One commenter requests that any Commission approval of the proposed rule change be contingent upon OPRA’s readiness to permit all OPRA participant exchanges to trade during the proposed extended sessions and OCC’s readiness to clear equity options during the proposed extended sessions.<sup>92</sup> The other commenter requests that the proposed rule change have an effective date no less than 120 days from the date it is approved, which the commenter states would be a reasonable time period for market participants to address outstanding issues.<sup>93</sup>

The Exchange states that some firms are ready to trade equity options in the proposed extended trading sessions, but it also acknowledges that some firms may require additional time to make necessary system modifications.<sup>94</sup> The Exchange states that it would not launch the proposed equity option extended trading sessions until at least 30 days following any Commission approval of this proposed rule change, and approximately three months after the Exchange’s publication of technical specifications related to the proposed extended trading sessions.<sup>95</sup> The Exchange also states that the OCC must file a proposed rule change to support

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<sup>92</sup> See Nasdaq Letter at 1-2.

<sup>93</sup> See SIFMA First Letter at 7; SIFMA Second Letter at 3. See also SIFMA Third Letter (clarifying that its request for a 120-day implementation delay applies to the Exchange’s proposal but not other options exchange proposals to extend trading hours, and urging harmonization across options exchange proposals for extended trading). SIFMA’s First Letter requests an effective date of no less than 120 *business* days (emphasis added), and SIFMA’s Second Letter requests an effective date of no less than 120 days (without specifying “business” days), in either case to run from the date of approval of the Amended Proposal. See SIFMA First Letter at 7; SIFMA Second Letter at 3. SIFMA’s Third Letter characterizes its prior two letters as having requested a 120-day implementation delay (without specifying “business” days). See SIFMA Third Letter at 2.

<sup>94</sup> See Cboe Letter at 2. The Exchange states that certain firms have requested that the Exchange launch trading in the proposed GTH and Curb sessions as soon as possible. See id.

<sup>95</sup> See id. See also Amendment No. 1, supra note 10, at 18019. The Exchange published these technical specifications on April 15, 2026; they are available at: <https://www.cboe.com/notices/content/?id=59462>.

the proposed extension of trading hours for equity options, and that the Exchange would not launch its proposed extended trading sessions for equity options until after any Commission approval of the OCC's rule filing.<sup>96</sup>

The Exchange's timing for the commencement of the proposed extended trading sessions must be consistent with Section 6(b)(1) of the Act,<sup>97</sup> which requires, among other things, that the Exchange is so organized and has the capacity to comply with the provisions of the Act, Commission rules and regulations thereunder, and its own rules; Section 6(b)(5) of the Act, which requires, among other things, that the Exchange's rules be designed to foster cooperation with persons engaged in regulating, clearing, settling, processing information with respect to and facilitating transactions in securities, and 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 Section 6(b)(8) of the Act, which requires that the rules of a national securities exchange not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. These requirements have been met here because the Exchange's proposed extended trading sessions would not commence until at a minimum: (i) OPRA is prepared to collect and disseminate quote and trade information for any exchange that adopts the same proposed extended trading sessions, (ii) the OCC is prepared to clear and settle trades for any such exchange, and (iii) exchange members are afforded a reasonable amount of time to prepare for extended equity option trading.

As discussed above, OPRA has confirmed its readiness to collect and disseminate quote and trade information for any exchange, and the Exchange would utilize an OPRA platform that

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<sup>96</sup> See Amendment No. 1, *supra* note 10, at 18017, n. 52.

<sup>97</sup> 15 U.S.C. 78f(b)(1).

would be available to any exchange seeking to offer the same extended trading sessions as the Exchange. Since OPRA would provide a 30-day notice period to its subscribers, the Commission understands that the Exchange would not commence the proposed extended session trading until after that 30-day notice period has concluded.

With respect to OCC readiness and exchange member readiness, the Exchange effectively has committed not to implement the proposed extended session trading until the later of: (i) 30 days following the date of this approval order,<sup>98</sup> (ii) approximately three months after the Exchange's publication of technical specifications,<sup>99</sup> and (iii) any Commission approval of the proposed rule change that the OCC must file with the Commission pursuant to Section 19(b) of the Act.<sup>100</sup> Multi-listed equity options are standardized options and, as such, transactions in them that occur during the proposed extended trading session must be cleared and settled by the OCC.<sup>101</sup> Because the Exchange would not implement the proposed extended trading sessions until after effectiveness of the OCC's proposed rule change, the Exchange has acknowledged that it would not implement the proposed extended sessions until the OCC is prepared to clear and settle equity option trades that occur during those sessions.

Taken together, the Exchange's proposed implementation timing is designed to provide Exchange members with reasonable time and opportunity to prepare for the proposed extended

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<sup>98</sup> See supra note 95 and accompanying text.

<sup>99</sup> See id.

<sup>100</sup> 15 U.S.C. 78s(b). In light of the date of this approval order, the time period countenanced by (i) is moot because the time periods countenanced by (ii) and (iii) will run past the date that is 30 days following the date of this approval order. See supra note 95 and accompanying text. In addition, as noted above, the Exchange's implementation of the Amended Proposal also is contingent on the conclusion of OPRA's 30-day notice period to its subscribers.

<sup>101</sup> See 17 CFR 240.9b-1.

trading sessions, and therefore consistent with the Act.<sup>102</sup> The Exchange's publication of technical specifications in mid-April enabled Exchange members to begin technical preparations for the proposed extended sessions prior to this approval order. The approximately three-month implementation period following such publication would conclude before the 120-day post-approval implementation period requested by one commenter. But to the extent Exchange members already have begun preparations, they may require less time to become fully prepared than 120 days following this approval order. In addition, the proposed rule change that the OCC must file with the Commission is subject to a statutory timeframe during which Exchange members can continue their preparations, including obtaining any necessary trading authorizations from the Exchange or the OCC.<sup>103</sup>

For the foregoing reasons, the Commission finds that the Amended Proposal is consistent with the Act and the rules and regulations thereunder applicable to a national securities exchange.

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<sup>102</sup> The Exchange has provided FAQs on its website to assist market participants with their preparations for the proposed extended trading sessions for multi-listed equity options. See <https://www.cboe.com/document/tech-spec/content/technical-specifications/equity-options-extended-trading-hours-faq/overview>.

<sup>103</sup> See supra note 87. See also Section 19(b) of the Act; 15 U.S.C. 78s(b).

IV. Conclusion

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Act, that the proposed rule change, as modified by Amendment No. 1, (SR-CBOE-2025-079) be, and it hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>104</sup>

**Sherry R. Haywood,**

*Assistant Secretary.*

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<sup>104</sup> 17 CFR 200.30-3(a)(12).