

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105763; File No. SR-CBOE-2026-016]

Self-Regulatory Organizations; Cboe Exchange, Inc.; Notice of Filing of Amendment No. 2 and Order Granting Accelerated Approval of a Proposed Rule Change, as Superseded by Amendment No. 1 and Modified by Amendment No. 2, to Amend its Rules Relating to Designated Primary Market-Maker Appointments in Global Trading Hours and Curb Sessions

June 24, 2026.

I. Introduction

On January 30, 2026, Cboe Exchange, Inc. filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² a proposed rule change to modify rules pertaining to Designated Primary Market-Makers. The proposed rule change was published for comment in the Federal Register on February 13, 2026.³ On March 25, 2026, pursuant to Section 19(b)(2)(A)(ii)(I) of the Act,⁴ 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 approve or disapprove the proposed rule change.⁵ On April 13, 2026, the Exchange filed Amendment No. 1 to the proposed rule change, which superseded and replaced the

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 104807 (Feb. 10, 2026), 91 FR 6966.

⁴ See 15 U.S.C. 78s(b)(2)(A)(ii)(I).

⁵ See Securities Exchange Act Release No. 105077, 90 FR 15659 (March 30, 2026). The Commission designated May 14, 2026 as the date by which the Commission shall approve or disapprove, or institute proceedings to determine whether to approve or disapprove, the proposed rule change.

initial proposal in its entirety.⁶ On May 18, 2026, the Commission published Amendment No. 1 for comment in the Federal Register and instituted proceedings under Section 19(b)(2)(B) of the Act to determine whether to approve or disapprove the proposed rule change.⁷ On May 15, 2026, the Exchange filed partial Amendment No. 2.⁸ The Commission received no comments on the proposed rule change. The Commission is publishing this Notice and Order to solicit comment on partial Amendment No. 2, and to approve the proposed rule change, as superseded by Amendment No. 1 and modified by partial Amendment No. 2 (“Amended Proposal”), on an accelerated basis.

II. Description of the Amended Proposal⁹

A Designated Primary Market-Maker (“DPM”) is a Trading Permit Holder (“TPH”) that is approved by the Exchange to function in appointed securities as a Market-Maker.¹⁰ The

⁶ See Amendment No. 1, available at: <https://www.sec.gov/comments/sr-cboe-2026-016/srcboe2026016-748767-2315874.pdf>.

⁷ See Securities Exchange Act Release No. 105479 (May 13, 2026), 91 FR 28705 (SR-CBOE-2026-016) (“Am. No. 1 Notice/OIP”).

⁸ See Amendment No. 2, available at: <https://www.sec.gov/comments/SR-CBOE-2026-016/srcboe2026016-779287-2374674.pdf> (“Am. 2”). In Amendment No. 2, the Exchange provides additional information and analysis to support the proposed rule change but does not propose any substantive changes to the proposal. Specifically, Amendment No 2: (i) clarifies that the priority overlays for DPMs set forth in Cboe Rule (“Rule”) 5.32(a)(2), including the participation and small-size order entitlements, will apply to Global Trading Hours (“GTH”) and Curb Trading Hours (“Curb”) sessions as they do in Regular Trading Hours (“RTH”) sessions; (ii) further explains the proposal to apply DPM participation entitlements during GTH and Curb sessions; and (iii) corrects a description of Market-Maker obligations to provide continuous electronic quotes in 60% of the series of the Market-Maker’s appointed classes (subject to certain exclusions) for 90% of the time the Market-Maker is required to provide electronic quotes in an appointed class on a given trading day, and adds context regarding these obligations.

⁹ For additional detail and Exchange justification regarding the Amended Proposal, see Amendment Nos. 1 and 2, infra notes 6-8.

¹⁰ See Rule 1.1 (definition of DPM).

Exchange currently operates three trading sessions—RTH,¹¹ GTH,¹² and Curb¹³—but appoints DPMs only to the RTH session. The Amended Proposal sets forth interconnected rule changes regarding Exchange flexibility to make DPM appointments for any of the trading sessions that occur on the Exchange, and the applicability of DPM quoting obligations and priority overlays to DPMs appointed to more than one trading session.¹⁴

Specifically, under the Amended Proposal, the Exchange would be permitted to appoint a DPM in a class for any trading session that occurs on the Exchange, as well as appoint the same or a different DPM in a class across trading sessions.¹⁵ The Exchange would apply to GTH and Curb sessions the DPM continuous quoting obligations that currently apply during RTH.¹⁶ In particular, a DPM would be required to provide continuous electronic quotes 90% of the time in its appointed classes during its appointed trading sessions, as measured in the aggregate across

¹¹ RTH occurs from 9:30 a.m. to 4:00 p.m. or 4:15 p.m. ET, depending on the specific security, Monday through Friday. See Rule 5.1(b)(1).

¹² The GTH session for exclusively listed index option occurs from 8:15 p.m. to 9:25 a.m. the next day, Monday through Friday, and a GTH session for multi-listed equity options is permitted to occur from 7:30 a.m. to 9:25 a.m. Monday through Friday. See Rule 5.1(c).

¹³ The Curb session for exclusively listed index option occurs from 4:15 p.m. to 5:00 p.m. Monday through Friday, and a Curb session for multi-listed equity options is permitted to occur from 4:00 p.m. to 4:15 p.m. Monday through Friday. See Rule 5.1(d).

¹⁴ The Exchange also has proposed two administrative amendments to Rule 5.50. First, the Exchange has proposed to amend Rule 5.50(b) to remove the specific deadlines therein for submission of Market-Maker appointment requests, relocate them to the Exchange's technical specifications, and state in the amended rule that such deadlines will be specified by the Exchange. See proposed Rule 5.50(b); see also Am. 1 Notice/OIP, 91 FR at 28709. Second, the Exchange has proposed to amend Rule 5.50(l) to return language to the provision that was inadvertently removed previously, such that the amended rule would state that if the Exchange determines to list SPX or VIX on a group basis, it will have the authority to change the eligible categories of Market-Maker participants for each group. See proposed Rule 5.50(l).

¹⁵ See proposed Rules 1.1 and 3.53; see also Am. 1 Notice/OIP, 91 FR at 28706. Relatedly, the Exchange proposes to amend Rule 1.1 to account for the facts that the Exchange floor operates only during RTH, and the GTH and Curb sessions are electronic only. See proposed Rule 1.1. The proposal also would allow the Exchange to permit trading to occur in a GTH or Curb session when there is no DPM for such session(s) due to resignation, termination or otherwise. See proposed Rule 3.53(f).

¹⁶ See proposed Rule 5.54.

its appointed classes and trading sessions.¹⁷ Further, the Exchange could apply DPM priority overlays—namely, the participation and small-size order entitlements—to the GTH and/or Curb sessions, in addition to RTH, if a DPM quotes at the top of the book.¹⁸

III. Discussion and Commission Findings

After careful review, the Commission finds that the Amended Proposal is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange.¹⁹ In particular, the Commission finds that the Amended Proposal is consistent with Section 6(b)(5) of the Act,²⁰ which requires, among other things, that a proposed rule change 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, to protect investors and the public interest, and not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers; and

¹⁷ See id.; see also Am. 1 Notice/OIP, 91 FR at 28707. The DPM would continue to be required to provide continuous electronic quotes 90% of the time in at least the lesser of 99% of the non-adjusted option series or 100% of the non-adjusted option series minus one call-put pair. In addition, the DPM would continue to be required to assure that its disseminated market quotations are accurate. See proposed Rule 5.54.

¹⁸ See proposed Rule 5.32(a)(2)(B). Cboe rules currently permit the Exchange to determine what allocation algorithm and priority overlays it may apply to RTH, GTH, and Curb, with the exception of the DPM participation entitlement. See Am. 2 at 4; see also current Rule 5.32(a)(2)(B)(iv). The DPM participation entitlement is explicitly excluded from GTH and Curb sessions pursuant to Rule 5.32(a)(2)(B)(iv); however, Exchange rules do not include the same prohibition for other priority overlays, including the small-size order entitlement. See Am. 2 at 4. The proposed rule change would amend Rule 5.32(a)(2)(B)(iv) to state that the DPM participation entitlement may apply during all sessions.

¹⁹ 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).

²⁰ 15 U.S.C. 78f(b)(5).

Section (b)(8) of the Act,²¹ which requires that a proposed rule change not impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

The Amended Proposal is reasonably designed to incentivize DPM participation in the extended trading hours sessions for which they are appointed and help promote active, liquid markets during the Exchange's extended trading hours sessions, consistent with the protection of investors and the public interest. At the same time, the Amended Proposal would provide flexibility as to how DPMs appointed in multiple trading sessions may satisfy their quoting obligations, such as if trading activity is less in one particular session compared to another, which would foster cooperation and coordination with persons engaged in facilitating securities transactions.²² In addition, the proposed application of the DPM continuous quoting obligation represents an extension to DPMs of functionality that already exists for Market-Makers on the Exchange, as they may be appointed in classes during the GTH and Curb trading sessions (in addition to RTH) and must provide continuous electronic quotes 90% of the time in the aggregate across their appointed classes and trading sessions.²³

A potential implication of the Amended Proposal is that a DPM appointed in multiple trading sessions could receive a priority overlay during a particular session (by quoting at the top of the book during that session) even if the DPM does not meet its continuous quoting obligations during that particular session (so long as the DPM satisfies those obligations in the

²¹ 15 U.S.C. 78f(b)(8).

²² In a similar vein, the proposed relocation to the Exchange's technical specifications of deadlines for Market-Maker appointment requests is reasonably designed to provide the Exchange with flexibility to adjust the deadlines quicker and react to future advancements in technology that may allow the Exchange to provide more time to Market-Makers to submit appointment requests.

²³ See Rule 5.52(d)(2)(E); see also Am. No.1 Notice/OIP, 91 FR at 28707. Similar to a DPM, a Market-Maker must provide continuous electronic quotes quote 90% of the time but, unlike a DPM, a Market-Maker must do so in 60% of the series in their appointed classes, subject to certain exclusions. See Rule 5.52(d)(2); see also Am. No. 2 at 5-6.

aggregate across its appointed trading sessions and classes). For example, under the Amended Proposal, a DPM appointed to multiple trading sessions could potentially receive a priority overlay during RTH (by quoting at the top of the book) while submitting continuous electronic quotes less than 90% of the time during RTH across its appointed classes, so long as the DPM quotes sufficiently during the other sessions to which its appointed such that it meets its quoting obligation in the aggregate.²⁴

The Exchange states that it does not believe that applying priority overlays across trading sessions will result in a reduction in DPM quoting activity during the RTH session because it expects liquidity and demand to remain at their highest during RTH.²⁵ Indeed, the Exchange has observed that trading characteristics during RTH are typically different than those during extended hours trading sessions in that extended sessions have lower trading levels, reduced liquidity, and fewer participants. The Exchange therefore does not believe that determining compliance with quotation obligations across trading sessions will result in less liquidity in RTH; to the contrary, the Exchange anticipates that DPMs may utilize quoting activity in RTH to meet any shortfalls in quoting obligations that a DPM may experience in GTH or Curb.²⁶ Moreover, the Exchange has observed that the majority of Market-Makers quoting in multiple sessions would satisfy quoting requirements if measured on a per session basis.²⁷ In addition, DPMs must still satisfy obligations set forth in Rule 5.54 in all trading sessions, including to make competitive markets. Further, the Exchange states that it will monitor DPM activity to verify compliance with quoting obligations, that it may conduct a review of a DPM's performance at

²⁴ See Am. No. 1 Notice/OIP, 91 FR at 28707-08.

²⁵ See *id.* at 28708.

²⁶ See *id.*

²⁷ See Am. No. 2 at 6.

any time,²⁸ and that, if warranted, it will impose penalties or issue fines to DPMs that do not fulfill their obligations.²⁹

The Exchange thus has in place safeguards that should enable it to ensure appropriate DPM quoting activity under the proposal, consistent with Section 6(b)(5) of the Act.³⁰ In addition, the Amended Proposal is designed to extend to DPMs appointed to multiple trading sessions a balance of obligations and benefits that is appropriate and similar to what applies to DPMs appointed to RTH currently, and that is not designed to permit unfair discrimination, consistent with Section 6(b)(5) of the Act,³¹ and that would not impose an undue burden on competition, consistent with Section 6(b)(8) of the Act.³² 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.

IV. Solicitation of Comments on Partial Amendment No. 2 to the Proposed Rule Change

Interested persons are invited to submit written data, views, and arguments concerning whether the Amended Proposal 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

²⁸ See Amendment No. 1 Notice/OIP, 91 FR at 28708-09. The Exchange states that it currently conducts regular reviews of DPM performance, and that the Exchange would expand these reviews to include GTH and Curb. See *id.*

²⁹ See *id.*

³⁰ 15 U.S.C. 78f(b)(5).

³¹ *Id.*

³² 15 U.S.C. 78f(b)(8). Further, the proposed administrative changes to Rule 5.50 do not raise any novel regulatory issues, and are designed to remove impediments to and perfect the mechanism of a free and open market and a national market system.

- Send an email to rule-comments@sec.gov. Please include file number SR-CBOE-2026-016 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-2026-016 on the subject line. 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-2026-016 on the subject line, and should be submitted on or before [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

V. Accelerated Approval of Amended Proposal, as Modified by Partial Amendment No. 2

The Commission finds good cause to approve the Amended Proposal prior to the 30th day after the date of publication of Amendment No. 2 in the Federal Register. Amendment No. 2 sets forth additional representations and support for the Amended Proposal without proposing any substantive changes from Amendment No. 1 to the proposal, which superseded the initial proposal in its entirety.³³ Thus, the Commission finds that Amendment No. 2 raises no novel

³³ See note 8, supra; see also Am. No. 1 Notice/OIP; Am. No. 2.

regulatory issues that have not previously been subject to comment, and is reasonably designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to protect investors and the public interest, and not designed to permit unfair discrimination or impose an unnecessary or inappropriate burden on competition. Accordingly, pursuant to Section 19(b)(2) of the Act,³⁴ the Commission finds good cause to approve the Amended Proposal on an accelerated basis prior to the 30th day after publication of notice of the filing of Amendment No. 2 in the Federal Register.

VI. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,³⁵ that the proposed rule change (SR-CBOE-2026-016), as superseded by Amendment No. 1 and modified by partial Amendment No. 2, be, and hereby is, approved on an accelerated basis.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.³⁶

Sherry R. Haywood,

Assistant Secretary.

³⁴ 15 U.S.C. 78s(b)(2).

³⁵ Id.

³⁶ 17 CFR 200.30-3(a)(12).