

Item 1. Text of the Proposed Rule Change

(a) Cboe BZX Exchange, Inc. (the “Exchange” or “BZX”) proposes to amend Rule 2.8 related to the voluntary termination of rights as an Exchange Member

(“Member”).¹ The text of the proposed rule change is provided in Exhibit 5.

(b) Not applicable.

(c) Not applicable.

Item 2. Procedures of the Self-Regulatory Organization

(a) The Exchange’s President (or designee) pursuant to delegated authority approved the proposed rule change on January 21, 2025.

(b) Please refer questions and comments on the proposed rule change to Pat Sexton, Executive Vice President, General Counsel, and Corporate Secretary, (312) 786-7467, or Allyson Van Marter, (312) 786-7098, Cboe BZX Exchange, Inc., 433 West Van Buren Street, Chicago, Illinois 60607.

Item 3. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

(a) Purpose

The Exchange proposes amendments to Rule 2.8 (Voluntary Termination of Rights as a Member). Rule 2.8 sets forth the requirements for a Member’s voluntary termination of its rights as a Member. Currently, Rule 2.8 states that a Member may voluntarily terminate its rights as a Member only by a written resignation addressed to the Exchange’s Secretary or another officer designated by the Exchange.

¹ See Exchange Rule 1.5(n). The term “Member” is defined as “any registered broker or dealer that has been admitted to membership in the Exchange.”

The Exchange proposes to amend Rule 2.8 to require instead for a Member to terminate its rights as a Member by notifying the Exchange, in writing in a form and manner prescribed by the Exchange. By doing this, the Exchange could allow participants to use a single form to terminate their applicable memberships between the Exchange, Cboe BYX Exchange, Inc., Cboe EDGA Exchange, Inc. and Cboe EDGX Exchange, Inc. to better streamline the process.² Additionally, this proposed change aligns with the rule of the Exchange's affiliated exchange, Cboe Exchange, Inc. ("Cboe Options")³ to create efficiency for the termination process across the Exchange and its affiliated exchanges.

(b) 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.⁴ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)⁵ 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

² The Exchange notes that Cboe Exchange, Inc. and Cboe C2 Exchange, Inc. are excluded from this form as this form pertains to Members and not Trading Permit Holders.

³ See Cboe Exchange Rule 3.1(c)(1) which states that a Trading Permit Holder seeking to terminate its Trading Permit must notify the Exchange, prior to the deadline announced by the Exchange and in a form and manner prescribed by the Exchange. The Exchange notes that its other affiliated exchanges (Cboe BYX Exchange, Inc., Cboe EDGA Exchange, Inc. and Cboe EDGX Exchange, Inc.) are also proposing to amend their rules with this same change.

⁴ 15 U.S.C. 78f(b).

⁵ 15 U.S.C. 78f(b)(5).

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)⁶ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers. The Exchange also believes the proposed rule change is consistent with Section 6(b)(1) of the Act,⁷ which provides that the Exchange be organized and have the capacity to be able to carry out the purposes of the Act and to enforce compliance by the Exchange's Members and persons associated with its Members with the Act, the rules and regulations thereunder, and the rules of the Exchange.

In particular, the Exchange believes the proposed amendment to the notification requirements for voluntary termination of membership is consistent with Section 6(b)(1) of the Act because, it will make the termination process more efficient by allowing Members to submit a form to the Exchange to terminate its membership (as well as any other form and manner allowed by the Exchange in accordance with the proposed Rule 2.8), allowing for the Exchange to better serve its Members with increased efficiencies. The Exchange believes the proposed amendment will result in a termination process that is more efficient for Members, to the benefit of investors and the public interest. Additionally, the Exchange proposes to mirror the language used by its affiliated options exchange regarding implementing a proposed deadline to clarify that if a Member wishes to terminate its status as a Member, it must do so prior to the Exchange imposed deadline

⁶ Id.

⁷ 15 U.S.C. 78f(b)(1).

to avoid carrying its Membership over into the next month, and in turn, paying the applicable fee(s).⁸

Further, the Exchange believes the proposed rule change is just, equitable and not unfairly discriminatory because it conforms to the process used by its affiliated exchange,⁹ thereby providing consistency across the Cboe family exchanges in regard to termination requirements. Such consistent requirements may, in turn, simplify the termination process for Members of the Exchange that are also participants on Cboe affiliated exchanges. The Exchange believes this consistency will promote a fair and orderly national market system.

The proposed change also applies uniformly to all Members that may choose to voluntarily terminate their membership. As such, the proposed rule change would foster cooperation and coordination with persons engaged in facilitating transactions in securities and would remove impediments to and perfect the mechanism of a free and open market and a national market system.

Item 4. 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. This proposal does not create an unnecessary or inappropriate intra-market burden on competition because the proposed change will apply uniformly to all Members that choose to voluntarily terminate their membership. Further, the proposed change is not designed to address any competitive issues. Indeed, this proposal does not create an

⁸ Currently, Cboe Exchange Inc., requires that notice is provided to the exchange prior to 4:00 PM CST of the second to last business day of the prior month to the termination month.

⁹ See supra note 2.

unnecessary or inappropriate inter-market burden on competition because it merely amends the requirements for voluntary termination of rights as a Member and conforms to the requirements of the Exchange's affiliated exchange, Cboe Options.¹⁰

Item 5. 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.

Item 6. Extension of Time Period for Commission Action

Not applicable.

Item 7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2) or Section 19(b)(7)(D)

(a) The proposed rule change is filed for immediate effectiveness pursuant to Section 19(b)(3)(A) of Act¹¹ and Rule 19b-4(f)(6)¹² thereunder.

(b) The Exchange designates that the proposed rule change effects a change that (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest. Additionally, the Exchange has given the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the

¹⁰ See supra note 2.

¹¹ 15 U.S.C. 78s(b)(3)(A).

¹² 17 CFR 240.19b-4(f)(6).

proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission.

As noted above, the proposed change is not designed to address any competitive issues. The proposal merely amends the process for voluntary termination of rights as a Member and conforms to the requirements of the Exchange's affiliated exchange, Cboe Options.¹³ Such consistent requirements may, in turn, simplify the termination process for Members of the Exchange that are also participants on Cboe affiliated exchanges. As noted above, the proposed change will apply uniformly to all Members that choose to voluntarily terminate their membership.

For the foregoing reasons, this rule filing qualifies as a "non-controversial" rule change under Rule 19b-4(f)(6), which renders the proposed rule change effective upon filing with the Commission. At any time within 60 days of the filing of this proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

(c) Not applicable.

(d) Not applicable.

¹³ See supra note 2.

Item 8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

As noted above, the proposed rule change would allow Members to voluntarily terminate its rights as a Member by notifying the Exchange, prior to the deadline announced by the Exchange and in a form and manner prescribed by the Exchange, that the Member is terminating its rights as a Member at the end of its term. This proposed rule is similar to that of Cboe Options Rule 3.1(c)(1) except for the differences in exchange defined terms (i.e., “TPH” versus “Member”).

Item 9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

Item 10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

Item 11. Exhibits

Exhibit 1. Completed Notice of Proposed Rule Change for publication in the Federal Register.

Exhibit 5. Proposed rule text.