SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-86086; File No. SR-CboeBZX-2019-052)

June 11, 2019

Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Allow the Exchange to Determine the Availability of Order Types and Times-in-Force

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”), and Rule 19b-4 thereunder, notice is hereby given that on June 3, 2019, Cboe BZX Exchange, Inc. (the “Exchange” or “BZX”) 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 Act and Rule 19b-4(f)(6) thereunder. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

Cboe BZX Exchange, Inc. (the “Exchange” or “BZX Options”) proposes to allow the Exchange to determine the availability of order types and times-in-force. The text of the proposed rule change is provided in Exhibit 5.

The text of the proposed rule change is also available on the Exchange’s website (http://markets.cboe.com/us/equities/regulation/rule_filings/bzx/), at the Exchange’s Office of the Secretary, and at the Commission’s Public Reference Room.

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 amend Rule 21.1 to provide that the Exchange may determine which order types and times-in-force are available on a class or system basis. This proposed change is based on corresponding Rule 21.1 of the Exchange’s affiliated exchange, Cboe EDGX Exchange, Inc. (“EDGX Options”).

Current Rule 21.1(d) defines an order type on the Exchange as the unique processing prescribed for designated orders, subject to restrictions within the rules. Current Rule 21.1(f) defines time-in-force as the period of time that the System will hold an order, subject to the restrictions within the rules.

The Exchange now proposes to amend Rules 21.1(d) and 21.1(f) to add that unless otherwise specified in the Rules or the context indicates otherwise, the Exchange will determine which order types and time-in-force, respectively, are available on a class or system basis. The purpose of this rule change is to provide the Exchange with

appropriate flexibility to address different trading characteristics, market models, and investor base of each class. This provision is consistent with Rules 21.1(d) and 21.1(f) of EDGX Options, as well as the rules of the Exchange’s other affiliated exchanges, Cboe C2 Exchange, Inc. (“C2”) Rule 6.10(a) and Cboe Exchange, Inc. (“Cboe Options”) Rule 6.53, each of which provides these exchanges with the same flexibility. Overall, the Exchange believes that providing the same rules across the Exchange and its affiliates regarding the availability of certain order types and times-in-force will reduce confusion for BZX Options Members that participate across the multiple affiliated exchanges, particularly during the fourth quarter of 2019 when Cboe Options will migrate its technology to the same trading platform used by the Exchange, EDGX Options, and C2.

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.⁶ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)⁷ 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

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the Section 6(b)(5)\textsuperscript{8} requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The proposed rule change to provide the Exchange with the flexibility to determine the availability of order types and times-in-force on a class and system basis will remove impediments to and perfect the mechanism of a free and open market and a national market system by allowing the Exchange to address the specific characteristics of different classes and different market conditions. The Exchange believes that this serves to protect investors by ensuring that the appropriate order types and times-in-force are tailored to the different class characteristics and by mitigating risks associated with changing market conditions.

The Exchange also believes that providing consistency between the Exchange rules and that of its affiliates removes impediments to and perfects the mechanism of a free and open market and promotes just and equitable principles of trade, as well as fosters cooperation and coordination with persons engaged in facilitating transactions in securities. The proposed rule change provides the Exchange with the same flexibility currently provided for within its affiliates’ rules. The Exchange believes that this consistency promotes participants’ understanding of the rules across the multiple affiliated exchanges and promotes a fair and orderly national options market system. The Exchange also notes that the proposed change is reasonable and does not affect investor protection because the proposed change does not present any novel or unique issues, as it has previously been filed with the Commission.

\textsuperscript{8} Id.
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 Exchange does not believe the proposed rule change will impose any burden on intramarket competition, as the proposed rule change will apply in the same manner to all order types and/or times-in-force, as the Exchange determines, from all Members. The Exchange does not believe the proposed rule change will impose any burden on intermarket competition because the proposed change provides the Exchange with substantially the same flexibility as the rules of other exchanges.\(^9\) Therefore, the Exchange believes that the proposed rule change will allow it to make determinations regarding availability of orders that will enable it to remain competitive as markets and market conditions evolve.

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: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) 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

\(^9\) See EDGX Options Rule 21.1(d) and (f); C2 Rule 6.10(a); and Cboe Options Rule 6.53. See also Miami International Securities Exchange, LLC (“MIAx”) Rule 516.
to Section 19(b)(3)(A)(iii) of the Act\textsuperscript{10} and subparagraph (f)(6) of Rule 19b-4 thereunder.\textsuperscript{11}

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

\textbf{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:

\textbf{Electronic comments:}

\begin{itemize}
  \item Use the Commission’s Internet comment form \url{http://www.sec.gov/rules/sro.shtml}; or
  \item Send an e-mail to \url{rule-comments@sec.gov}. Please include File Number SR-CboeBZX-2019-052 on the subject line.
\end{itemize}


\textsuperscript{11} 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.
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-CboeBZX-2019-052. This file number should be included on the subject line if e-mail 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 (http://www.sec.gov/rules/sro.shtml). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission’s Public Reference Room, 100 F Street, NE, Washington, D.C. 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to
File Number SR-CboeBZX-2019-052 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.\(^{12}\)

Eduardo A. Aleman  
Deputy Secretary

\(^{12}\) 17 CFR 200.30-3(a)(12).