

including whether the 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 (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include File No. SR-TXSE-2025-001 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 No. SR-TXSE-2025-001. 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 (<http://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-TXSE-2025-001 and should be submitted on or before January 6, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁴⁰

Sherry R. Haywood,
Assistant Secretary.

[FR Doc. 2025-22856 Filed 12-15-25; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-104363; File No. SR-CBOE-2025-089]

Self-Regulatory Organizations; Cboe Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Its Fees Schedule in Connection With the Exchange's Plans To List and Trade Options That Overlie the Magnificent 10 Index ("MGTN Options")

December 11, 2025.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934

("Act")¹ and Rule 19b-4 thereunder,² notice is hereby given that on December 8, 2025, Cboe Exchange, Inc. (the "Exchange" or "Cboe Options") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. 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 Exchange, Inc. (the "Exchange" or "Cboe Options") proposes to update its Fees Schedule in connection with the Exchange's plans to list and trade options that overlie the Magnificent 10 Index ("MGTN options"); specifically, the Exchange proposes to adopt certain standard transaction fees in connection with MGTN options, include/exclude MGTN options from certain surcharges, and exclude MGTN options from certain fees programs. The text of the proposed rule change is provided in Exhibit 5.

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 (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 the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend its Fees Schedule in connection with its plans to list and trade MGTN options, effective December 8, 2025.

Standard Transaction Rates and Surcharges

First, the Exchange proposes to adopt certain standard transaction fees in connection with MGTN options. Specifically, the proposed rule change adopts certain fees for MGTN options in the Rate Table for All Products Excluding Underlying Symbol A,³ as follows:

- Adopts fee code GO, appended to all Customer (capacity "C") orders in MGTN options and assesses a fee of \$0.16 per contract;⁴
- Adopts fee code GT, appended to all Firm (*i.e.*, Clearing Trading Permit Holders (capacity "F")) and Professional Customer (capacity "U") orders in MGTN options and assesses a fee of \$0.20 per contract;
- Adopts fee code GU, which is appended to Market-Maker (capacity "M") orders in MGTN options contra Firm and Professional Customer that add liquidity and that are executed electronically and assesses a fee of \$0.20 per contract;
- Adopts fee code GV, which is appended to Market-Maker orders in MGTN options contra Non-Customer that add liquidity and that are executed electronically and provides a rebate of \$0.25 per contract;
- Adopts fee code GW, which is appended to Market-Maker orders in MGTN options contra Customer that add liquidity and that are executed electronically and assesses no fee per contract;
- Adopts fee code GP, which is appended to Non-Customer, Non-Firm, Non-Professional Customer, Non-Market-Maker orders in MGTN options that add liquidity and that are executed electronically and assesses a fee of \$0.20 per contract;
- Adopts fee code GQ, which is appended to Non-Customer, Non-Firm, Non-Professional Customer orders in MGTN options contra Customer that remove and that are executed electronically and assesses a fee of \$0.20 per contract;

³ Underlying Symbol List A includes OEX, XEO, RUT, RLG, RLV, RUI, UKXM, SPX (includes SPXW), SPESG and VIX. See Exchange Fees Schedule, Footnote 34.

⁴ Under the proposed changes, the Customer Large Trade Discount Program, set forth in the Exchange Fees Schedule, will apply to Customer orders in MGTN options (included in "Other Index Options" under the program). Under the program, a customer large trade discount program in the form of a cap on customer ("C" capacity code) transaction fees is in effect for the options set forth in the Customer Large Trade Discount table. For MGTN options, regular customer transaction fees will only be charged for up to 5,000 contracts per order, similar to other index options other than VIX, SPX/SPXW, SPESG, and XSP.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

⁴⁰ 17 CFR 200.30-3(a)(12).

- Adopts fee code GR, which is appended to Non-Customer, Non-Firm, Non-Professional Customer orders in MGTN options contra Non-Customer that remove liquidity and that are executed electronically and assesses a fee of \$1.25 per contract; and

- Adopts fee code GS, which is appended to Non-Customer, Non-Firm, Non-Professional Customer orders in MGTN options that are executed manually (*i.e.*, open outcry) and assesses a fee of \$0.20 per contract.

In addition to the above transaction fees, the proposed rule change also adopts a surcharge to MGTN options transactions within the Rate Table—All Products Excluding Underlying Symbol List A. Specifically, the proposed rule change adds MGTN options to the list of options for which the FLEX Surcharge Fee of \$0.10 (capped at \$250 per trade) applies to electronic FLEX orders executed by all capacity codes, except for Cboe Compression Services (“CCS”) and FLEX Micro transactions.⁵

The Exchange also proposes to exclude Non-Customer complex orders in MGTN options from the Complex Surcharge by amending Footnote 35 (appended to the Complex Surcharge) to provide that the Complex Surcharge applies per contract per side surcharge for noncustomer complex order executions that remove liquidity from the Complex Order Book (“COB”) and auction responses in the Complex Order Auction (“COA”) and AIM in all classes except CBTX, MBTX, MGTN, MRUT, NANOS, SPEQX, XSP, FLEX Micros, Sector Indexes and Underlying Symbol List A.

Fees Programs

The Exchange proposes to exclude MGTN options from the Liquidity Provider Sliding Scale, which offers credits on Market-Maker orders where a Market-Maker achieves certain volume thresholds based on total national Market-Maker volume in all underlying symbols, excluding Underlying Symbol List A, CBTX, MBTX, MRUT, MXACW, MXUSA, MXWLD, NANOS, XSP and FLEX Micros during the calendar month. Specifically, the proposed rule change updates the Liquidity Provider Sliding Scale table to provide that volume thresholds are based on total national Market-Maker volume in all underlying symbols excluding Underlying Symbol List A, CBTX, MBTX, MGTN, MRUT, MXACW, MXUSA, MXWLD, NANOS, SPEQX, XSP and FLEX Micros during the

calendar month, and that it applies in all underlying symbols excluding Underlying Symbol List A, CBTX, MBTX, MGTN, MRUT, MXACW, MXUSA, MXWLD, NANOS, SPEQX, XSP and FLEX Micros. The proposed rule change also updates Footnote 10 (appended to the Liquidity Provider Sliding Scale) to provide that the Liquidity Provider Sliding Scale applies to Liquidity Provider (Exchange Market-Maker, DPM and LMM) transaction fees in all products except (1) Underlying Symbol List A, CBTX, MBTX, MGTN, MRUT, MXACW, MXUSA, MXWLD, NANOS, SPEQX, XSP and FLEX Micros, (2) volume executed in open outcry, and (3) volume executed via AIM Responses.

The proposed rule change also updates Footnote 44 (appended to the Liquidity Provider Sliding Scale Adjustment Table) to exclude MGTN volume from the program by providing (in relevant part) that the Make Rate under the Liquidity Provider Sliding Scale Adjustment Table be derived from a Liquidity Provider’s electronic volume the previous month in all symbols excluding Underlying Symbol List A, CBTX, MBTX, MGTN, SPEQX, and XSP.

The proposed rule change updates the Volume Incentive Program (“VIP”) table to also exclude MGTN volume from the VIP, which currently offers a per contract credit for certain percentage threshold levels of monthly Customer volume in all underlying symbols, excluding Underlying Symbol List A, Sector Indexes, DJX, CBTX, MBTX, MRUT, MXEA, MXEF, MXACW, MXUSA, MXWLD, NANOS, SPEQX, XSP and FLEX Micros. The proposed rule change also amends Footnote 36 (appended to the VIP table) to reflect the proposed exclusion of MGTN from the VIP by providing (in relevant part) that: the Exchange shall credit each TPH the per contract amount resulting from each public customer (“C” capacity code) order transmitted by that TPH which is executed electronically on the Exchange in all underlying symbols excluding Underlying Symbol List A, Sector Indexes, DJX, CBTX, MBTX, MGTN, MRUT, MXEA, MXEF, MXACW, MXUSA, MXWLD, NANOS, SPEQX, XSP, FLEX Micros, QCC trades, public customer to public customer electronic complex order executions, and executions related to contracts that are routed to one or more exchanges in connection with the Options Order Protection and Locked/Crossed Market Plan referenced in Rule 5.67, provided the Trading Permit Holder (“TPH”) meets certain percentage thresholds in a month as described in the Volume Incentive Program (VIP) table; the percentage thresholds are calculated

based on the percentage of national customer volume in all underlying symbols excluding Underlying Symbol List A, Sector Indexes, CBTX, MBTX, MGTN, MRUT, MXEA, MXEF, MXACW, MXUSA, MXWLD, NANOS, SPEQX, DJX, XSP and FLEX Micros entered and executed over the course of the month; and in the event of a Cboe Options System outage or other interruption of electronic trading on Cboe Options, the Exchange will adjust the national customer volume in all underlying symbols excluding Underlying Symbol List A, Sector Indexes, CBTX, MBTX, MGTN, MRUT, MXEA, MXEF, MXACW, MXUSA, MXWLD, NANOS, SPEQX, DJX, XSP and FLEX Micros for the entire trading day.

The proposed rule change excludes MGTN options from the list of products eligible to receive Break-Up Credits in orders executed in AIM, SAM, FLEX AIM, and FLEX SAM, by amending the Break-Up Credits table to exclude MGTN along with the products currently excluded—Underlying Symbol List A, Sector Indexes, DJX, CBTX, MBTX, MRUT, MXEA, MXEF, MXACW, MXUSA, MXWLD, NANOS, SPEQX, XSP and FLEX Micros.

The Exchange proposes to exclude MGTN options from the Marketing Fee Program by updating the Marketing Fee table to provide that the marketing fee will be assessed on transactions of Market-Makers (including DPMs and LMMs), resulting from customer orders at the per contract rate provided above on all classes of equity options, options on ETFs, options on ETNs and index options, except that the marketing fee shall not apply to Sector Indexes, DJX, CBTX, MBTX, MGTN, MRUT, MXEA, MXEF, MXACW, MXUSA, MXWLD, XSP, SPEQX, NANOS, FLEX Micros or Underlying Symbol List A. The Exchange notes that, in this way, MGTN options will be treated as most of the Exchange’s other exclusively listed products that are currently excluded from the Marketing Fee Program. The Exchange does believe that it is necessary at the point of newly listing and trading for MGTN options to be eligible for the Marketing Fee Program and may determine in the future to submit a fee filing to add MGTN to the Marketing Fee Program if the Exchange believes it would potentially generate more customer order flow in MGTN options.

The Exchange proposes to exclude MGTN options from the Floor Broker Sliding Scale Rebate Program, which offers rebates for Firm Facilitated and non-Firm Facilitated orders that correspond to certain volume tiers and

⁵ The FLEX Surcharge Fee will only be charged up to the first 2,500 contracts per trade. See Exchange Fees Schedule, Footnote 17.

is designed to incentivize order flow in multiply listed options to the Exchange's trading floor. The Exchange proposes to update the Floor Broker Sliding Scale Rebate Program to provide that the Floor Broker Sliding Scale Rebate Program applies to all products except Underlying Symbol List A, Sector Indexes, DJX, CBTX, MBTX, MGTN, MRUT, MXEA, MXEF, MXACW, MXUSA, MXWLD, NANOS, SPEQX, XSP and FLEX Micros. Similarly, the Exchange proposes to exclude MGTN options from the Floor Broker Sliding Scale Supplemental Rebate Program, which offers rebates based on qualifying volumes for non-Firm Facilitated orders processed through the Floor Broker Sliding Scale Rebate Program. The Exchange proposes to update the Floor Broker Sliding Scale Supplemental Rebate Program to provide that the Floor Broker Sliding Scale Supplemental Rebate Program applies to all products except Underlying Symbol List A, Sector Indexes, DJX, CBTX, MBTX, MGTN, MRUT, MXEA, MXEF, MXACW, MXUSA, MXWLD, NANOS, SPEQX, XSP and FLEX Micros.

The Exchange next proposes to exclude MGTN options from eligibility for the Order Router Subsidy ("ORS") and Complex Order Router Subsidy ("CORS") Programs, in which Participating TPHs or Participating Non-Cboe TPHs may receive a payment from the Exchange for every executed contract routed to the Exchange through their system in certain classes. Specifically, the proposed rule change updates the ORS/CORS Program tables to provide that ORS/CORS participants whose total aggregate non-customer ORS and CORS volume is greater than 0.25% of the total national volume (excluding volume in options classes included in Underlying Symbol List A, Sector Indexes, DJX, CBTX, MBTX, MGTN, MRUT, MXEA, MXEF, MXACW, MXUSA, MXWLD, NANOS, SPEQX, XSP or FLEX Micros) will receive an additional payment for all executed contracts exceeding that threshold during a calendar month. The proposed rule change also updates Footnote 29 (appended to the ORS Program table) to provide that Cboe Options does not make payments under the program with respect to executed contracts in options classes included in Underlying Symbols List A, Sector Indexes, DJX, CBTX, MBTX, MGTN, MRUT, MXEA, MXEF, MXACW, MXUSA, MXWLD, NANOS, SPEQX, XSP or FLEX Micros or with respect to complex orders or spread orders; and updates Footnote 30 (appended to the

CORS Program table) to provide that Cboe Options does not make payments under the program with respect to executed contracts in options classes included in Underlying Symbols List A, Sector Indexes, DJX, CBTX, MBTX, MGTN, MRUT, MXEA, MXEF, MXACW, MXUSA, MXWLD, NANOS, SPEQX, XSP or FLEX Micros.

The Exchange also proposes to amend Footnote 6, which states that in the event of an Exchange System outage or other interruption of electronic trading on the Exchange that lasts longer than 60 minutes, the Exchange will adjust the national volume in all underlying symbols excluding Underlying Symbol List A, Sector Indexes, CBTX, MBTX, MRUT, MXEA, MXEF, MXACW, MXUSA, MXWLD, NANOS, DJX, SPEQX, XSP and FLEX Micros for the entire trading day. The Exchange proposes to add MGTN options to the list of options.

The Exchange also proposes to exclude Firm (*i.e.*, Clearing Trading Permit Holders (capacity "F") and Non-Clearing Trading Permit Holder Affiliates (capacity "L")) transactions in MGTN from the Clearing TPH Fee Cap. Specifically, it amends footnote 22 (appended to the Clearing TPH Fee Cap table) to provide that all non-facilitation business executed in AIM or open outcry, or as a QCC or FLEX transaction, transaction fees for Clearing TPH Proprietary and/or their Non-TPH Affiliates in all products except CBTX, MBTX, MGTN, MRUT, NANOS, XSP, SPEQX, FLEX Micros, Sector Indexes and Underlying Symbol List A, in the aggregate, are capped at \$65,000 per month per Clearing TPH. The proposed rule change additionally updates Footnote 11 (which is also appended to the Clearing TPH Fee Cap table) to provide that the Clearing TPH Fee Cap in all products except CBTX, MBTX, MGTN, MRUT, NANOS, XSP, SPEQX, FLEX Micros, Underlying Symbol List A and Sector Indexes (the "Fee Cap"), the Cboe Options Proprietary Products Sliding Scale for Clearing TPH Proprietary Orders, and the Clearing TPH Proprietary VIX Sliding Scale apply to (i) Clearing TPH proprietary orders ("F" capacity code), and (ii) orders of Non-TPH Affiliates of a Clearing TPH.

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 the Section 6(b)(5)⁸ 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)(4) of the Act,⁹ which requires that Exchange rules provide for the equitable allocation of reasonable dues, fees, and other charges among its TPHs and other persons using its facilities.

Standard Transaction Rates and Surcharges

The Exchange believes that the proposed amendments to the Fees Schedule in connection with standard transaction rates and surcharges for MGTN options transactions are reasonable, equitable and not unfairly discriminatory. The Exchange believes that the proposed standard transaction rates for Customer; Firm; Market-Maker; Non-Customer, Non-Firm, Non-Professional Customer; and Professional Customer orders in MGTN options are reasonable, as the proposed fee structure is designed to attract liquidity and encourage trading of a new Exchange product, which benefits market participants through tighter markets and improved price discovery. Further, the proposed fees are in-line with fees for transactions in other Exchange proprietary products. Additionally, the Exchange believes it is reasonable to charge different fee amounts to different user types in the manner proposed because the proposed fees are consistent with the price differentiation that exists today for other index products. The Exchange also believes that the proposed fee amounts for MGTN options orders are reasonable because

⁶ 15 U.S.C. 78f(b).

⁷ 15 U.S.C. 78f(b)(5).

⁸ *Id.*

⁹ 15 U.S.C. 78f(b)(4).

the proposed fee amounts are within the range of amounts assessed for the Exchange's other index products, excluding Underlying Symbol List A.

The Exchange believes it is reasonable to apply the FLEX Surcharge Fee to MGTN options, as the FLEX Surcharge Fee assists the Exchange in recouping the cost of developing and maintaining the FLEX system. Moreover, the Exchange believes it is reasonable to exclude MGTN options from the Complex Surcharge because the proposed surcharge exclusions will provide consistency between the fees assessed for orders in other proprietary products, including CBTX, MBTX, MRUT, NANOS, SPEQX, XSP, FLEX Micros, Sector Indexes and Underlying Symbol List A.

The Exchange believes the proposed standard transaction rates and inclusion/exclusion from certain surcharges are equitable and not unfairly discriminatory because they will apply automatically and uniformly to all capacities as applicable (*i.e.*, Customer; Firm; Market-Maker; Non-Customer, Non-Firm, Non-Professional Customer; and Professional Customer) in MGTN options.

The Exchange also believes that it is equitable and not unfairly discriminatory to assess lower fees to Customers as compared to other market participants because Customer order flow enhances liquidity on the Exchange for the benefit of all market participants. Specifically, Customer liquidity benefits all market participants by providing more trading opportunities, which attracts Market-Makers. An increase in the activity of these market participants in turn facilitates tighter spreads, which may cause an additional corresponding increase in order flow from other market participants. The fees offered to Customers are intended to attract more Customer trading volume to the Exchange. Moreover, the options industry has a long history of providing preferential pricing to Customers, and the Exchange's current Fees Schedule currently does so in many places, as do the fees structures of many other exchanges. Finally, all fee amounts listed as applying to Customers will be applied equally to all Customers (meaning that all Customers will be assessed the same amount).

The Exchange believes that it is equitable and not unfairly discriminatory to differentiate fees for Non-Customer, Non-Firm, and Non-Professional Customers based on the contra-party and depending on if the order is removing or adding liquidity. Overall, the proposed fees are intended

to incent Non-Customer, Non-Firm, and Non-Professional Customers, including Market-Makers, to quote and trade more on the Exchange, thereby providing more trading opportunities for all market participants. The Exchange believes assessing rates in-line or lower than the rates proposed for other participants or offering rebates for liquidity-adding transactions may incentivize order flow in MGTN options, which may lead to an increase in trading activity on the Exchange. An increase in trading activity, including Market-Maker activity, in turn facilitates tighter spreads, which may cause an additional corresponding increase in order flow from other market participants. The Exchange also believes assessing slightly higher rates for liquidity-removing transactions contra Non-Customers may incentivize market participants, including Market-Makers, to add rather than remove liquidity, thus improving overall market quality for a new Exchange product.

Fees Programs

The Exchange believes that the proposed updates to the Fees Schedule in connection with the application of certain fees programs to transactions in MGTN options are reasonable, equitable and not unfairly discriminatory. The Exchange believes it is reasonable to exclude MGTN options from the Liquidity Provider Sliding Scale, the VIP, Break-Up Credits applicable to Customer Agency Orders in AIM and SAM, the Marketing Fee, the Floor Broker Sliding Scale Rebate Program, and the ORS/CORS program because other proprietary index products are also excepted from these programs.¹⁰ Moreover, the Exchange notes that the proposed rule change does not alter any of the existing programs, but instead, merely proposes not to include transactions in MGTN options in those programs.

The Exchange believes that excluding MGTN options transactions from certain fees programs is equitable and not unfairly discriminatory because the programs will equally not apply to, or exclude in the same manner, all market participants' orders in MGTN options. The Exchange notes that the proposed rule change does not alter any of the existing program rates or volume calculations, but instead, merely proposes to include (or not to) include transactions in MGTN options in those

programs and volume calculations in the same way that transactions in proprietary index products are (or are not) currently included.

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 that the proposed rule change will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because the proposed MGTN transaction fees for the separate types of market participants will be assessed automatically and uniformly to all such market participants, as applicable. As discussed above, while different fees are assessed to different market participants in some circumstances, these different market participants have different obligations and different circumstances as discussed above. For example, preferential pricing to Customers is a long-standing options industry practice which serves to enhance Customer order flow, thereby attracting Market-Makers to facilitate tighter spreads and trading opportunities to the benefit of all market participants. Additionally, the proposed surcharge will be assessed uniformly to all market participants to whom the FLEX Surcharge applies.

Further, the proposed rule change will uniformly exclude all transactions in MGTN options from certain programs and surcharge (*i.e.*, Liquidity Provider Sliding Scale, the VIP, Break-Up Credits applicable to Customer Agency Orders in AIM and SAM, the Marketing Fee, the Floor Broker Sliding Scale Rebate Program, the ORS/CORS program, and the Complex Surcharge), as it currently does for many of the Exchange's other proprietary products. Overall, the proposed rule change is designed to increase incentivize for customer order flow providers to submit customer order flow in a newly listed and traded product, which, as indicated above, contributes to a more robust market ecosystem to the benefit of all market participants.

The Exchange does not believe that the proposed rule change will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because the proposed rule changes apply only to products exclusively listed on the Exchange.

¹⁰ See Exchange Fees Schedule, Liquidity Provider Sliding Scale, Volume Incentive Program, Break-Up Credits, Marketing Fee, Floor Broker Sliding Scale Rebate Program, Order Router Subsidy Program and Complex Order Router Subsidy Program.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act¹¹ and paragraph (f) of Rule 19b-4¹² 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 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-2025-089 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-2025-089. 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-2025-089 and should be submitted on or before January 6, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹³

Sherry R. Haywood,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[OMB Control No. 3235-0717]

Agency Information Collection Activities; Proposed Collection; Comment Request; Extension: Comment Request; Extension: Exchange Act Rule 3a71-3

Upon Written Request, Copies Available From: Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE, Washington, DC 20549-2736

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission (SEC or "Commission") is soliciting comments on the proposed collection of information.

The representations contemplated by Rule 3a71-3 will be relied upon by counterparties to determine whether such transaction is a "transaction conducted through a foreign branch" of a U.S. bank counterparty, as defined in Rule 3a71-3(a)(3)(i), as well as to verify whether a security-based swap counterparty is a "U.S. person." Counterparties to security-based swap transactions may voluntarily give such representations to one another to reduce operational costs and allow each party to ascertain whether such transaction is subject to certain Title VII requirements. Because any representations provided to counterparties under Rule 3a71-3 will constitute voluntary third-party disclosures, the Commission will not typically receive these disclosures.

The Commission believes that the representations contemplated by Rule 3a71-3 will, in most cases, be made through representation letters or amendments to the parties' existing trading documentation (e.g., the schedule to a master agreement). The

Commission believes that, because trading relationship documentation is established between two counterparties, whether a counterparty is able to represent that it is entering into a "transaction conducted through a foreign branch" or that it does not meet the criteria of the "U.S. person" definition will not change with each transaction and, therefore, such representations generally need only be made once per relationship, as opposed to on a transaction-by-transaction basis.. The Commission anticipates that counterparties may elect to develop and incorporate these representations in trading documentation following the effective date of the Commission's security-based swap regulations or prior to entering into in-scope transactions. In either case, the regulatorily-compliant language would be incorporated on a relationship basis, as opposed to on a transactional basis. In 2022, the Commission anticipated that standardized language would be developed by individual respondents or through a combination of trade associations and industry working groups and that it would be applied across all of an entity's security-based swap trading relationships.¹

a. Representations Regarding a "Transaction Conducted Through a Foreign Branch"

Pursuant to Rule 3a71-3, parties to security-based swaps are permitted to rely on certain representations from their counterparties when determining whether a transaction falls within the definition of a "transaction conducted through a foreign branch." Based on its understanding of the current state of the security-based swap market, the Commission staff estimates that nine entities will incur burdens under this collection of information, whether solely in connection with the business conduct requirements or also in connection with the application of the *de minimis* exception.

In 2022, the Commission estimated the one-time third-party disclosure burden associated with developing representations under this collection of information to be, for each U.S. bank counterparty that would make such representations, no more than five hours, and up to \$2,000 for the services of outside professionals. Across the nine

¹ It is the Commission's understanding that the ISDA U.S. Self-Disclosure Letter is one such example of the anticipated standardized language that the industry has developed. However, the Commission lacks information regarding the scope of reliance upon this representation letter and thus hesitates to presume that standardization has been fully achieved.

¹¹ 15 U.S.C. 78s(b)(3)(A).

¹² 17 CFR 240.19b-4(f).

¹³ 17 CFR 200.30-3(a)(12).