

#### 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](mailto:rule-comments@sec.gov). Please include file number SR-PHLX-2025-73 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-PHLX-2025-73. 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-PHLX-2025-73 and should be submitted on or before January 12, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>17</sup>

**Sherry R. Haywood,**

Assistant Secretary.

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**BILLING CODE 8011-01-P**

#### SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-104440; File No. SR-CBOE-2025-074]

#### Self-Regulatory Organizations; Cboe Exchange, Inc.; Order Instituting Proceedings To Determine Whether To Approve or Disapprove a Proposed Rule Change To Amend Functionality Relating to the Processing of Auction Responses

December 17, 2025.

#### 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)<sup>1</sup> of the Securities Exchange Act of 1934 ("Act")<sup>2</sup> and Rule 19b-4 thereunder,<sup>3</sup> a proposed rule change to amend the maximum amount of time permitted for processing auction responses in non-FLEX classes. The proposed rule change was published for comment in the **Federal Register** on October 3, 2025.<sup>4</sup> On November 3, 2025, pursuant to Section 19(b)(2)(A)(ii)(I) of the Act,<sup>5</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>6</sup> The Commission has not received any comments on the proposal. Pursuant to Section 19(b)(2)(B) of the Act,<sup>7</sup> the Commission is hereby instituting proceedings to determine whether to approve or disapprove the proposed rule change.

#### II. Description of the Proposed Rule Change

The Exchange currently offers the following auction and exposure mechanisms ("auctions"): Complex Order Auction ("COA"),<sup>8</sup> Step Up Mechanism ("SUM"),<sup>9</sup> Automated Improvement Mechanism ("AIM"),<sup>10</sup> Complex AIM ("C-AIM"),<sup>11</sup> Solicitation

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

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b-4.

<sup>4</sup> See Securities Exchange Act Release No. 104159 (Sep. 30, 2025), 90 FR 48094 ("Notice").

<sup>5</sup> See 15 U.S.C. 78s(b)(2)(A)(ii)(I).

<sup>6</sup> See Securities Exchange Act Release No. 104173, 90 FR 51424 (Nov. 17, 2025). The Commission designated January 1, 2026, as the date by which the Commission shall approve or disapprove, or institute proceedings to determine whether to disapprove, the proposed rule change.

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

<sup>8</sup> See Cboe Rule 5.33(d).

<sup>9</sup> See Cboe Rule 5.35.

<sup>10</sup> See Cboe Rule 5.37.

<sup>11</sup> See Cboe Rule 5.38.

Auction Mechanism ("SAM"),<sup>12</sup> Complex SAM ("C-SAM"),<sup>13</sup> FLEX Auction process,<sup>14</sup> FLEX AIM,<sup>15</sup> and FLEX SAM.<sup>16</sup> In general in these auctions, the System<sup>17</sup> electronically exposes eligible orders for an Exchange-determined period of time in accordance with the applicable Exchange Rule, during which time, in response to an auction notification message, Users<sup>18</sup> may submit auction responses or auction response messages.

Cboe Rule 5.25(c) provides that at the conclusion of an auction response or exposure period, the System will continue to process any messages in its inbound queue that were received by the System before the end of the auction response or exposure period, as identified by each message's timestamp, for up to an Exchange-determined period of time on a class-by-class basis. This Exchange-determined period of time may not exceed 100 milliseconds, except in the case of non-FLEX S&P 500 Index options "SPX options."<sup>19</sup> For non-FLEX SPX options, this Exchange-determined period of time plus the length of the auction response or exposure period, as applicable, may not exceed 1000 milliseconds (until December 31, 2025).<sup>20</sup> The applicable auction will execute once all messages, including auction responses, received before the end time of the auction response period have been processed or the Exchange-determined maximum time limit has elapsed, whichever occurs first.<sup>21</sup>

The Exchange is proposing to make permanent the non-FLEX SPX functionality and broaden it such that it applies to all non-FLEX option classes,

<sup>12</sup> See Cboe Rule 5.39.

<sup>13</sup> See Cboe Rule 5.40.

<sup>14</sup> See Cboe Rule 5.72(c).

<sup>15</sup> See Cboe Rule 5.73.

<sup>16</sup> See Cboe Rule 5.74.

<sup>17</sup> The term "System" means the Exchange's hybrid trading platform that integrates electronic and open outcry trading of option contracts on the Exchange, and includes any connectivity to the foregoing trading platform that is administered by or on behalf of the Exchange, such as a communications hub. See Cboe Rule 1.1.

<sup>18</sup> The term "User" means any TPH or sponsored user who is authorized to obtain access to the System pursuant to Cboe Rule 5.5. See Cboe Rule 1.1.

<sup>19</sup> See Cboe Rule 5.25(c); see also Securities Exchange Act Release No. 97738 (June 15, 2023), 88 FR 40878 (June 22, 2023) (order approving SR-CBOE-2022-051, which established the 100-millisecond maximum processing time period ("100 Millisecond Order").

<sup>20</sup> See Cboe Rule 5.25(c); see also Securities Exchange Act Release No. 102966 (May 1, 2025), 90 FR 19330 (May 7, 2025) (SR-CBOE-2025-031). The auction response processing time is currently set to 900 milliseconds for SPX options and 100 milliseconds for all other classes. See Notice, *supra* note 4, at 48095, n. 13.

<sup>21</sup> See Notice, *supra* note 4, at 48095.

and the Exchange is proposing not to apply any auction response processing time to FLEX auctions.<sup>22</sup> Specifically, the Exchange is proposing to amend Cboe Rule 5.25(c) to provide that, for non-FLEX auction or exposure mechanisms, the System processing time for any messages in its inbound queue that were received by the System before the end of the auction response or exposure period (as identified by each message's timestamp), plus the length of the auction response or exposure period, as applicable, may not exceed 1000 milliseconds.<sup>23</sup> Only auction responses submitted during the auction response or exposure period would be eligible for processing,<sup>24</sup> in time priority,<sup>25</sup> and the proposed rule change would make no changes to how the auction rules operate regarding allocation and execution priority.<sup>26</sup>

The Exchange states, among other things,<sup>27</sup> that the proposed, increased maximum processing time will result in more timely-submitted auction responses having the opportunity to participate in the auction and being executed in all classes, particularly in times of volatility and high message traffic.<sup>28</sup> According to the Exchange, this may provide further opportunities for auctioned orders to receive price improvement, and may encourage liquidity providers to submit more auction responses, which may contribute to a deeper, more liquid action process.<sup>29</sup> The Exchange believes the proposal will continue to appropriately balance providing investors with timely processing of their options quote and order messages with providing investors who submit orders

<sup>22</sup> See proposed Cboe Rule 5.25(c); *see also* Notice, *supra* note 4, at 48095, n. 17. The term “FLEX auction” refers to the FLEX Auction process, FLEX AIM, and FLEX SAM.

<sup>23</sup> See proposed Cboe Rule 5.25(c). The Exchange will announce the length of the Exchange-determined processing period with reasonable advance notice via Exchange Notice. *See* Cboe Rule 5.25(c).

<sup>24</sup> See Notice, *supra* note 4, at 48095.

<sup>25</sup> See *id.* at 48097.

<sup>26</sup> See *id.* at 48097, 48098.

<sup>27</sup> See generally, Notice, *supra* note 4, for the entirety of the Exchange's statements in support of its proposal.

<sup>28</sup> See Notice, *supra* note 4, at 48095–96. The Exchange states that it generally experiences significant increases in volumes and messages traffic when the market experiences volatility. As a result, the Exchange states that it has observed deeper pending message queues, which results in an increased number of timely received auction responses not being processed as part of the execution at the conclusion of an auction. The Exchange believes, based on its observations, that the proposed maximum time may increase the number of timely received auction responses that may execute against an auction order. *See id.* at 48096.

<sup>29</sup> See *id.* at 48096, 48097.

that are auctioned with additional liquidity.<sup>30</sup> The Exchange also states that given the much longer length of FLEX auctions, which may last three seconds to five minutes,<sup>31</sup> the Exchange believes an increase in auction response processing is unnecessary for FLEX SPX options.<sup>32</sup>

The Exchange provides certain data in support of its proposal. Specifically, the Exchange states that, in 2025 prior to May 12 (the date on which the Exchange implemented the longer auction processing response time for non-FLEX SPX options), the percentage of auction responses in SPX that were received by the System before the end of the auction period (*i.e.*, had received a Network Interface Card timestamp) but were rejected because the Exchange could not process them before the end of the combined auction response or exposure period (as applicable) plus the then-existing extra processing time, reached over 20% on several occasions and averaged approximately 7.64%.<sup>33</sup> Between May 12 and September 5, this percentage was nearly 0, according to the Exchange.<sup>34</sup> Despite the maximum auction response processing time being 900 milliseconds, the average length of that time period used since that time was only about 14 milliseconds.<sup>35</sup> The Exchange believes, given the continued increase in options volumes across the industry (and thus all classes), that all classes could benefit from the additional processing times.<sup>36</sup>

### III. Proceedings To Determine Whether To Approve or Disapprove the Proposed Rule Change

The Commission hereby institutes proceedings pursuant to Section 19(b)(2)(B) of the Act<sup>37</sup> to determine whether the Exchange's proposed rule change should be approved or disapproved. Institution of proceedings does not indicate that the Commission has reached any conclusions with respect to any of the issues involved. Rather, the Commission seeks and encourages interested persons to provide additional comment on the proposed rule change to inform the Commission's analysis of whether to approve or disapprove the proposed rule change.

<sup>30</sup> See *id.* at 48096.

<sup>31</sup> See Cboe Rules 5.72(c)(1)(F), 5.73(c)(3), and 5.74(c)(3).

<sup>32</sup> See Notice, *supra* note 4, at 48098.

<sup>33</sup> See *id.* at 48096.

<sup>34</sup> See *id.*

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

<sup>36</sup> See *id.*

<sup>37</sup> 15 U.S.C. 78s(b)(2)(B).

Pursuant to Section 19(b)(2)(B) of the Act,<sup>38</sup> the Commission is providing notice of the grounds for disapproval under consideration. The Commission is instituting proceedings to allow for additional analysis of, and input from commenters with respect to, the consistency of the proposed rule change with the Act and, in particular, Section 6(b)(5) of the Act,<sup>39</sup> which requires that the rules of a national securities exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, 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 not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

Under the Commission's Rules of Practice, the ‘burden to demonstrate that a proposed rule change is consistent with the [Act] and the rules and regulations issued thereunder . . . is on the self-regulatory organization that proposed the rule change.’<sup>40</sup> The description of a proposed rule change, its purpose and operation, its effect, and a legal analysis of its consistency with applicable requirements must all be sufficiently detailed and specific to support an affirmative Commission finding,<sup>41</sup> and any failure of a self-regulatory organization to provide this information may result in the Commission not having a sufficient basis to make an affirmative finding that a proposed rule change is consistent with the Act and the applicable rules and regulations.<sup>42</sup>

As discussed above, currently, the Exchange-determined period of additional processing time for timely-received auction responses may not exceed 100 milliseconds, except that this maximum processing time is 1000 milliseconds for auctions in non-FLEX SPX options. The Exchange's proposal would increase to 1000 milliseconds the maximum processing time for all non-FLEX classes (and make the 1000-millisecond maximum processing time period permanent for non-FLEX SPX classes), and no longer apply an auction message processing time to any FLEX auctions.

The Commission is concerned that the proposal does not provide an adequate basis, at this time, for the Commission

<sup>38</sup> *Id.*

<sup>39</sup> 15 U.S.C. 78f(b)(5).

<sup>40</sup> Rule 700(b)(3), Commission Rules of Practice, 17 CFR 201.700(b)(3).

<sup>41</sup> *Id.*

<sup>42</sup> *Id.*

to conclude that the proposed increase to the maximum processing time for auction messages in non-FLEX classes other than SPX and the proposed non-application of any auction response processing time to FLEX auctions would be consistent with the Act. While the Exchange sets forth benefits that could accrue from the proposal, the data it proffers in support of the proposal is specific to its experience with non-FLEX SPX options. The proposal does not set forth data directly supporting the proposed increase in the maximum processing time for non-FLEX classes other than SPX.<sup>43</sup> The proposal also states that an increase in auction response processing time is unnecessary for FLEX SPX options in light of the fact that FLEX auctions may last three seconds to five minutes—a proposition with which the Commission agrees. But the proposal does not currently set forth support for the proposed non-application of any auction response processing time to any FLEX auction, which is an aspect of the proposal that, in the Commission's view, is distinct from not increasing the auction response processing time for FLEX SPX options. Lastly, the Commission also seeks comment on whether the proposal presents any market risk due to a longer auction processing time for auction responses or the cancellation of auction responses that have been submitted during the auction response period.

Accordingly, the Commission is instituting proceedings to allow for additional consideration and comment on the issues raised herein, including as to whether the proposal is consistent with the Act.<sup>44</sup>

#### IV. Commission's Solicitation of Comments

The Commission requests written views, data, and arguments with respect to the concerns identified above as well as any other relevant concerns. Such comments should be submitted by January 12, 2026. Rebuttal comments should be submitted by January 26, 2026. Although there do not appear to be any issues relevant to approval or disapproval that would be facilitated by an oral presentation of views, data, and arguments, the Commission will consider, pursuant to Rule 19b-4, any

<sup>43</sup> See, e.g., 100 Millisecond Order, *supra* note 19, at 40878 n. 21 (stating that an Exchange review indicated that approximately 55% of auction responses had no opportunity to execute in their respective auctions notwithstanding being submitted within the auction response period).

<sup>44</sup> See 15 U.S.C. 78f(b)(5) and (8).

request for an opportunity to make an oral presentation.<sup>45</sup>

The Commission asks that commenters address the sufficiency and merit of the Exchange's statements in support of the proposal, in addition to any other comments they may wish to submit about the proposed rule change.

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](mailto:rule-comments@sec.gov). Please include file number SR-CBOE-2025-074 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-2025-074. 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-2025-074 and should be submitted on or before January 12, 2026. Rebuttal comments should be submitted by January 26, 2026.

<sup>45</sup> 15 U.S.C. 78s(b)(2). Section 19(b)(2) of the Act grants the Commission flexibility to determine what type of proceeding—either oral or notice and opportunity for written comments—is appropriate for consideration of a particular proposal by an SRO. See Securities Acts Amendments of 1975, Report of the Senate Committee on Banking, Housing and Urban Affairs to Accompany S. 249, S. Rep. No. 75, 94th Cong., 1st Sess. 30 (1975).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>46</sup>

**Sherry R. Haywood,**  
Assistant Secretary.

[FR Doc. 2025-23534 Filed 12-19-25; 8:45 am]

**BILLING CODE 8011-01-P**

## SMALL BUSINESS ADMINISTRATION

### Interest Rates

The Small Business Administration publishes an interest rate called the Optional Peg Rate (13 CFR 120.214) on a quarterly basis. This rate is a weighted average cost of money to the government for maturities similar to the average SBA direct loan. This rate may be used as a base rate for guaranteed fluctuating interest rate SBA loans. This rate will be 4.50 percent for the January–March quarter of FY 2026.

Pursuant to 13 CFR 120.921(b), the maximum legal interest rate for any Third Party Lender's commercial loan which funds any portion of the cost of a 504 project (see 13 CFR 120.801) shall be 6% over the New York Prime rate or, if that exceeds the maximum interest rate permitted by the constitution or laws of a given State, the maximum interest rate will be the rate permitted by the constitution or laws of the given State.

**Daniel J. Pische,**  
Director, Office of Financial Assistance.

[FR Doc. 2025-23607 Filed 12-19-25; 8:45 am]

**BILLING CODE P**

## DEPARTMENT OF STATE

**[Public Notice: 12839]**

### 60-Day Notice of Proposed Information Collection: Adoptive Family Relief Act Refund Application DS-7781

**ACTION:** Notice of request for public comment.

**SUMMARY:** The Department of State is seeking Office of Management and Budget (OMB) approval for the information collection described below. In accordance with the Paperwork Reduction Act of 1995, we are requesting comments on this collection from all interested individuals and organizations. The purpose of this notice is to allow 60 days for public comment preceding submission of the collection to OMB.

**[46 17 CFR 200.30-3(a)(57)]**