

rule change may become operative immediately upon filing. The Commission believes that waiving 30-day operative delay is consistent with the protection of investors and the public interest because the proposal seeks to amend the Exchange's CAT Compliance Rule to reflect the requirement in the CAT NMS Plan that industry members report for the original receipt or origination of an order to sell an equity security, whether the order is for a short sale effected by a market maker in connection with bona fide market making activities in the security for which the exception in Rule 203(b)(2)(iii) of Regulation SHO is claimed.¹³ The proposal does not introduce any novel regulatory issues. Accordingly, the Commission designates the proposed rule change to be operative upon filing.¹⁴

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 shall institute proceedings to determine whether the proposed rule 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 (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-FINRA-2025-016 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-FINRA-2025-016. 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 FINRA. 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-FINRA-2025-016 and should be submitted on or before January 21, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁵

Sherry R. Haywood,
Assistant Secretary.

[FR Doc. 2025-24048 Filed 12-30-25; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-104508; File No. SR-CBOE-2025-075]

Self-Regulatory Organizations; Cboe Exchange, Inc.; Order Instituting Proceedings To Determine Whether To Approve or Disapprove a Proposed Rule Change To Amend Exchange Rule 5.4

December 23, 2025.

I. Introduction

On September 30, 2025, Cboe Exchange, Inc. ("Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act" or "Exchange Act")¹ and Rule 19b-4 thereunder,² a proposed rule change to amend Exchange Rule 5.4(a) to change the minimum increment for options on the Cboe Mini Bitcoin U.S. ETF Index ("MBTX") to \$0.01 for series trading lower than \$3.00 and \$0.05 for series trading at \$3.00 or higher. The proposed rule change was published for comment in the **Federal Register** on October 3, 2025.³ The Commission has received no comments regarding the proposal.

On November 3, 2025, pursuant to Section 19(b)(2) of the Exchange 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 disapprove the proposed rule change.⁵ This order institutes proceedings under Section 19(b)(2)(B) of the Act⁶ to determine whether to approve or disapprove the proposed rule change.

II. Description of the Proposed Rule Change

As described more fully in the Notice,⁷ the Exchange proposes to amend Exchange Rule 5.4(a) to establish a minimum increment of \$0.01 for series of MBTX options trading lower than \$3.00 and \$0.05 for series of MBTX options trading at \$3.00 or higher. The Exchange states that market demand, including from retail investors who, according to the Exchange, generally prefer lower trading increments, supports a lower trading increment for MBTX.⁸ The Exchange states that options overlying the components of the MBTX (and the underlying exchange-traded funds) ("ETFs") are actively traded.⁹ The Exchange further states that it expects that more granular pricing will lead to narrowing of the bid-ask spread for MBTX options and an increase in the possible number of price points available to investors for these series.¹⁰ The Exchange states that tighter spreads will increase order flow in MBTX options, providing additional liquidity that will ultimately benefit all investors.¹¹ In addition, the Exchange states that finer increments permit more precise pricing in line with the theoretical value of the options.¹²

The Exchange states that it has analyzed its system capacity and represents that the Exchange and the Options Price Reporting Authority have the necessary systems capacity to handle any potential additional traffic

⁵ See Securities Exchange Act Release No. 104173 (Nov. 3, 2025), 90 FR 51424 (Nov. 17, 2025) (designating January 1, 2026, as the date by which the Commission shall either approve, disapprove, or institute proceedings to determine whether to disapprove the proposed rule change).

⁶ 15 U.S.C. 78s(b)(2)(B).

⁷ See *supra* note 3.

⁸ See Notice, 90 FR at 48071.

⁹ See Notice, 90 FR at 48071 (citing https://cdn.cboe.com/api/global/us_indices/governance/Cboe_Bitcoin_US ETF_Index_Methodology.pdf (which requires each constituent to have monthly consolidated trading volume of at least 500,000 shares for each month within the immediately preceding six-month period, an average consolidated trading volume of at least 1,000,000 shares over the immediately preceding six months, and a market capitalization of at least \$75 million)).

¹⁰ See Notice, 90 FR at 48071.

¹¹ See Notice, 90 FR at 48071.

¹² See Notice, 90 FR at 48071.

¹³ See *supra* note 4.

¹⁴ For purposes only of waiving the 30-day operative delay, the Commission also has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

¹⁵ 17 CFR 200.30-3(a)(12) and (59).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 104157 (Sept. 30, 2025), 90 FR 48071 (Oct. 3, 2025) ("Notice").

⁴ 15 U.S.C. 78s(b)(2).

associated with this proposal.¹³ The Exchange further states that it does not believe any potential increased traffic will become unmanageable because the proposal is limited to a single class of options.¹⁴

The Exchange states that the proposal would permit MBTX options to trade at the same level of granularity as options on the iShares Bitcoin Trust (“IBIT”). The Exchange states that IBIT is a component of the MBTX and that IBIT options are the primary competitive product for MBTX options.¹⁵ The Exchange further states that IBIT options qualify for the Penny Interval Program under Exchange Rule 5.4(a) and that MBTX options should be eligible for the same pricing increments as IBIT options for competitive reasons.¹⁶ The Exchange states that market participants may use IBIT options to hedge MBTX options and that aligning the pricing increments for these products would permit investors to trade related products at more granular prices that may be more aligned with their investment objectives.¹⁷

III. Proceedings To Determine Whether To Approve or Disapprove SR–CBOE–2025–075 and Grounds for Disapproval Under Consideration

The Commission is instituting proceedings pursuant to Section 19(b)(2)(B) of the Act¹⁸ to determine whether the proposed rule change should be approved or disapproved. Institution of such proceedings is appropriate at this time in view of the legal and policy issues raised by the proposed rule change. Institution of proceedings does not indicate that the Commission has reached any conclusions with respect to any of the issues involved. Rather, as described below, the Commission seeks and encourages interested persons to

provide comments on the proposed rule change.

Pursuant to Section 19(b)(2)(B) of the Act,¹⁹ the Commission is providing notice of the grounds for disapproval under consideration. The Commission is instituting proceedings to allow for additional analysis of the proposed rule change’s consistency with the Act and, in particular, with Section 6(b)(5) of the Act,²⁰ which requires, among other things, 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 Exchange Act and the rules and regulations issued thereunder . . . is on the self-regulatory organization that proposed the rule change.”²¹ 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,²² 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.²³ 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. The Commission asks that commenters address the sufficiency of the Exchange’s statements in support of the proposal, which are set forth in the Notice, in addition to any other comments they may wish to submit about the proposed rule change. In particular, the Commission asks commenters to address whether the proposal includes sufficient data and analysis to support a finding that the proposal is consistent with the

requirements of Section 6(b)(5) of the Act.

IV. Procedure: Request for Written Comments

The Commission requests that interested persons provide written submissions of their views, data, and arguments with respect to the issues identified above, as well as any other concerns they may have with the proposal. In particular, the Commission invites the written views of interested persons concerning whether the proposal is consistent with Section 6(b)(5) or any other provision of the Act, and the rules and regulations thereunder. 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 request for an opportunity to make an oral presentation.²⁴

Interested persons are invited to submit written data, views, and arguments regarding whether the proposed rule change should be approved or disapproved by January 21, 2026. Any person who wishes to file a rebuttal to any other person’s submission must file that rebuttal by February 4, 2026.

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–2025–075 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–2025–075. 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

²⁴ Section 19(b)(2) of the Act, as amended by the Securities Acts Amendments of 1975, Public Law 94–29 (June 4, 1975), 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 a self-regulatory organization. See Securities Acts Amendments of 1975, Senate Comm. on Banking, Housing & Urban Affairs, S. Rep. No. 75, 94th Cong., 1st Sess. 30 (1975).

¹³ See Notice, 90 FR at 48071.

¹⁴ See Notice, 90 FR at 48071–2.

¹⁵ See Notice, 90 FR at 48072.

¹⁶ See Notice, 90 FR at 48072. The Exchange states that as of September 19, 2025, IBIT options are the 13th most actively traded equity option (based on six-month trading volume as of September 19, 2025). See *id.* at footnote 7.

¹⁷ The Exchange states that, under Exchange Rule 5.4, other index options that trade on the Exchange are currently permitted to trade in smaller increments because competitive products are able to trade in those smaller increments. The Exchange states that the minimum increment for Cboe Mini SPX Index (“XSP”) options is \$0.01 because that is the minimum increment for SPDR S&P 500 ETF Trust (“SPY”) options, and the minimum increment for Dow Jones Industrial Index (“DJX”) options is \$0.01 for series below \$3 and \$0.05 for series \$3 and above because that is the minimum increment for SPDR Dow Jones Industrial Average ETF (“DIA”) options. See Notice, 90 FR at footnote 8.

¹⁸ 15 U.S.C. 78s(b)(2)(B).

¹⁹ *Id.*

²⁰ 15 U.S.C. 78f(b)(5).

²¹ 17 CFR 201.700(b)(3).

²² See *id.*

²³ See *id.*

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-2025-075 and should be submitted on or before January 21, 2026. Rebuttal comments should be submitted by February 4, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁵

Sherry R. Haywood,
Assistant Secretary.

[FR Doc. 2025-24054 Filed 12-30-25; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-104501; File No. SR-CboeBZX-2025-149]

Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Notice of Filing of a Proposed Rule Change To Amend Exchange Rule 11.23(d)(2)(B) (Extending the Quote-Only Period for Initial Public Offering (“IPO”) Auctions)

December 23, 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 17, 2025, Cboe BZX Exchange, Inc. (the “Exchange” or “BZX”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II 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 BZX Exchange, Inc. (“BZX” or the “Exchange”) is filing with the Securities and Exchange Commission (“Commission” or “SEC”) a proposed rule change to amend Exchange Rule 11.23(d)(2)(B) (Extending the Quote-Only Period for Initial Public Offering (“IPO”) Auctions) to: (1) delineate

between BZX-listed corporate securities and exchange-traded product (“ETP”) IPO Securities; and (2) expand the circumstances under which the Exchange may extend the Quote-Only Period for IPO Auctions in an ETP IPO Security.

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/equities/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 Statutory Basis for, the Proposed Rule Change

Purpose

The Exchange proposes to amend Rule 11.23(d)(2)(B) (Extending the Quote-Only Period³ for IPO Auctions) to: (1) delineate between BZX-listed corporate securities and ETP IPO Securities in proposed Rules 11.23(d)(2)(B) and (C), respectively;⁴ and (2) expand the circumstances under which the Exchange may extend the Quote-Only Period for IPO Auctions in ETP IPO Securities. The Exchange also proposes to update rule numbering and lettering to accommodate these changes and to update cross-references throughout Rule 11.23 as necessary.

Background

Exchange Rule 11.23(d) governs IPO and halt auctions on the Exchange. Under Rule 11.23(d)(1)(A), the Quote-Only Period for ETP IPO Auctions

³ The term “Quote-Only Period” shall mean a designated period of time prior to a Halt Auction, a Volatility Closing Auction, or an IPO Auction during which Users may submit orders to the Exchange for participation in the auction. See Exchange Rule 11.23(a)(17).

⁴ The term “ETP IPO Security” means a Derivative Security that is eligible to participate in an IPO Auction pursuant to Rule 11.23(d). See Exchange Rule 11.23(a)(24). See also Exchange Rule 1.5(dd) defining “Derivative Security”.

commences at 8:00 a.m.⁵ and terminates at the conclusion of the IPO Auction, which generally occurs shortly after 9:30 a.m. There are no IPO Auction-specific order types. All Eligible Auction Orders associated with an IPO Auction are queued until the end of the Quote-Only Period, at which time they become eligible for execution in the IPO Auction. Orders must be received prior to the end of the Quote-Only Period to participate in the IPO Auction.

Exchange Rule 11.23(d)(2)(B) currently provides five circumstances under which the Exchange may extend the Quote-Only Period for IPO Auctions. These circumstances apply to both BZX-listed corporate securities and ETP IPO Securities:

(i) there are unmatched market orders on the Auction Book associated with the auction;

(ii) the underwriter requests an extension;

(iii) the Indicative Price moves the greater of 10% or fifty (50) cents in the fifteen (15) seconds prior to the auction;

(iv) in the event of a technical or systems issue at the Exchange that may impair the ability of Users to participate in the IPO Auction or of the Exchange to complete the IPO Auction;

(v) a Derivative Security fails to meet the Exchange’s listing qualification requirements as set forth in Rule 14.11; or

(vi) there is a security that is the subject of an initial pricing on the Exchange of a security that has not been listed on a national securities exchange immediately prior to the initial pricing.

The duration of each Quote-Only Period extension depends on the triggering circumstance. Provisions (ii), (iv), (v), and (vi) are manual extensions without fixed durations. Provisions (i) and (iii) are automatic extensions: provision (i) extends the Quote-Only Period for as long as unmatched market orders remain on the Auction Book, while provision (iii) extends the Quote-Only Period for five minutes.

Proposal

The Exchange now proposes to separately delineate the circumstances under which it may extend the Quote-Only Period for IPO Auctions applicable to BZX-listed corporate securities and ETP IPO Securities under proposed Rules 11.23(d)(2)(B) and (C), respectively. The Exchange also proposes to adopt an additional extension provision applicable to ETP IPO Securities.

The Exchange proposes to modify the circumstances under which the

⁵ All times referenced herein are Eastern Time.

²⁵ 17 CFR 200.30-3(a)(57).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.