

A proposed rule change filed under Rule 19b-4(f)(6)<sup>20</sup> normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),<sup>21</sup> the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that the proposal may become operative immediately upon filing. The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest because it will allow the Exchange to immediately list and trade the Crypto Assets in the same manner as other options that qualify for listing pursuant to Exchange Rule 6020(h) and does not introduce any novel regulatory issues. Accordingly, the Commission designates the proposed rule change to be operative upon filing.<sup>22</sup>

At any time within 60 days of the filing of such 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 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](mailto:rule-comments@sec.gov). Please include file number SR-BOX-2026-06 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.

<sup>20</sup> 17 CFR 240.19b-4(f)(6).

<sup>21</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>22</sup> 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).

All submissions should refer to file number SR-BOX-2026-06. 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 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, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of the filing also 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-BOX-2026-06 and should be submitted on or before April 24, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>23</sup>

**Sherry R. Haywood,**

*Assistant Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105131; File No. SR-Cboe-2025-075]

### Self-Regulatory Organizations; Cboe Exchange, Inc.; Notice of Filing of Amendment No. 1 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 1, To Amend Cboe Rule 5.4

March 31, 2026.

#### I. Introduction

On September 30, 2025, Cboe Exchange, Inc. ("Exchange" or "Cboe

Options") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to modify the minimum increment for options on the Cboe Mini Bitcoin ETF Index ("MBTX"). The proposed rule change was published for comment in the **Federal Register** on October 3, 2025.<sup>3</sup> On November 3, 2025, pursuant to Section 19(b)(2) of the Act,<sup>4</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>5</sup> On December 23, 2025, the Commission instituted proceedings under Section 19(b)(2)(B) of the Act<sup>6</sup> to determine whether to approve or disapprove the proposal.<sup>7</sup> The Commission received no comments regarding the proposal. On March 11, 2026, the Exchange filed Amendment No. 1 to the proposal, which supersedes and replaces the original proposal in its entirety.<sup>8</sup> The Commission is publishing this notice and order to solicit comment on Amendment No. 1 in Sections II and III below, which sections are being published verbatim as filed by the Exchange, and to approve the proposed rule change, as modified by Amendment No. 1, on an accelerated basis.

#### II. 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 amend Rule 5.4. The Exchange initially submitted this rule filing SR-CBOE-2025-075 to the Securities and Exchange Commission (the "Commission") on September 30, 2025 (the "Initial Rule Filing"). This Amendment No. 1 supersedes the Initial

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

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> See Securities Exchange Act Release No. 104157 (Sept. 30, 2025), 90 FR 48071.

<sup>4</sup> 15 U.S.C. 78s(b)(2).

<sup>5</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 either approve, disapprove, or institute proceedings to determine whether to disapprove the proposed rule change.

<sup>6</sup> 15 U.S.C. 78s(b)(2).

<sup>7</sup> See Securities Exchange Act Release No. 104508, 90 FR 61490 (Dec. 31, 2025).

<sup>8</sup> Amendment No. 1 revises the proposal to provide additional discussion and analysis supporting the proposed minimum increment and to state in proposed Exchange Rule 5.4(a) that the proposed minimum increments for MBTX options will apply as long as options on the iShares Bitcoin Trust ETF ("IBIT") participate in the Penny Interval Program.

<sup>23</sup> 17 CFR 200.30-3(a)(12), (59).

Rule Filing and replaces it in its entirety. This Amendment No. 1 provides additional support for the proposed rule change, as well as adds a condition for Cboe Mini Bitcoin U.S. ETF Index (“MBTX options”) to qualify for the proposed minimum trading increments and makes other minor changes to the rule filing. 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/](https://www.cboe.com/us/options/regulation/rule_filings/bzx/)), and at the principal office of the Exchange.

### III. 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 5.4(a) to change the minimum increment for all series of MBTX options to \$0.01 for series trading lower than \$3.00 and \$0.05 for series trading at \$3.00 or higher (as long as iShares Bitcoin Trust ETF options (“IBIT options”) participate in the Penny Interval Program). The Exchange believes market demand (including by retail investors, who generally prefer lower trading increments) supports a lower trading increment for MBTX options. Options overlying the components of the Cboe Mini Bitcoin U.S. ETF Index (and the underlying exchange-traded funds (“ETFs”))<sup>9</sup> are actively traded (as are the underlying

<sup>9</sup> See [https://cdn.cboe.com/api/global/us\\_indices/governance/Cboe\\_Bitcoin\\_US ETF\\_Index\\_Methodology.pdf](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).

ETFs), and IBIT options in particular.<sup>10</sup> IBIT options are eligible for a lower trading increment, supporting the view that there will be market demand for the proposed trading increments for MBTX options.<sup>11</sup> The Exchange offers MBTX options to provide investors with opportunity to gain exposure to the price movements and directional views of Bitcoin with the benefits associated with index options, including cash-settlement, without the risks associated with holding Bitcoin or with physical settlement.<sup>12</sup> The proposed increments will allow MBTX options to more effectively compete with IBIT options, which is by far the most actively traded constituent of the Cboe Mini Bitcoin U.S. ETF Index.<sup>13</sup> The Exchange also expects this more granular pricing to lead to narrowing of the bid-ask spread for these options and increase the possible number of price points available to investors for these series. The Exchange believes tighter spreads will increase order flow in MBTX options, which additional liquidity ultimately benefits all investors. Finer increments also permit more precise pricing in line with the theoretical value of these options and thus more efficient hedging opportunities, particularly with respect to IBIT options and related products that may already trade in finer increments.

The Exchange has analyzed its capacity and represents that it believes that the Exchange has the necessary systems capacity to handle any potential additional message traffic associated with the proposed rule change. The Options Price Reporting Authority (“OPRA”) also informed the Exchange it believes it has the necessary systems capacity to handle any additional traffic that may result from this proposed rule change. The Exchange does not believe any potential increased traffic will become unmanageable since this proposed rule change with respect to minimum trading increments is limited to a single class of options.

<sup>10</sup> Based on the six-month volume from August 1, 2025 through January 31, 2026, options on four of the components were among the top 10% of the most actively traded options, and seven of the components were among the top 38% of the most actively traded options.

<sup>11</sup> Options overlying ProShares Bitcoin ETF (“BITO options”) and Fidelity Bitcoin Fund (“FBTC options”) are also eligible for the Penny Interval Program.

<sup>12</sup> See [https://cdn.cboe.com/resources/membership/Cboe\\_Bitcoin\\_US ETF\\_Options\\_Comparative\\_Overview.pdf](https://cdn.cboe.com/resources/membership/Cboe_Bitcoin_US ETF_Options_Comparative_Overview.pdf)

<sup>13</sup> From August 1, 2025 through January 31, 2026, IBIT option volume was nearly 25 times more than the volume of the next most actively traded constituent, demonstrating that IBIT options are the product with which MGTX [sic] options are primarily competing.

##### 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.<sup>14</sup> Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)<sup>15</sup> 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)<sup>16</sup> requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, the Exchange believes the proposed rule change will protect investors and the public interest. As discussed above, the Exchange believes market demand (including by retail investors, who generally prefer lower trading increments) supports a lower trading increment for MBTX options. As noted above, options overlying many of the components of the Cboe Mini Bitcoin U.S. ETF Index are among the most actively traded options (as are the underlying stocks). Options on four of the ten components are among the top 10% of the most actively traded options (and options on seven components are among the top 38% of the most actively traded options). IBIT, BITO, and FBTC options are eligible for a lower trading increment. As discussed below, MBTX options were designed to compete with options on the constituents, and IBIT options, in particular, given their significant volume, and to create exposure to Bitcoin, which may trade in penny increments. The Exchange believes this supports the view that there will be market demand for the proposed trading increments for MBTX options and that the proposed rule change will promote competition among options [and other products] providing exposure to Bitcoin, which competition ultimately benefits investors. The

<sup>14</sup> 15 U.S.C. 78f(b).

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

<sup>16</sup> *Id.*

Exchange believes the proposed rule change will also benefit investors because it will permit more granular pricing in MBTX options, which may lead to narrower bid-ask spreads for these options and increase the possible number of price points (thus increasing execution opportunities) available to investors for these series, which ultimately increases liquidity to the benefit of all investors. The Exchange believes tighter spreads will also increase order flow in MBTX options, which additional liquidity ultimately benefits all investors. The Exchange believes tighter spreads will also increase order flow in MBTX options, which additional liquidity ultimately benefits all investors. [sic]

As noted above, the Exchange believes the proposed rule change will promote just and equitable principles of trade and remove impediments to and perfect the mechanism of a free and open market and a national market system because it will permit MBTX options to trade at the same level of granularity as permitted for IBIT options, which is the product with which MBTX options are primarily trying to compete.<sup>17</sup> The Cboe Mini Bitcoin U.S. ETF Index is comprised of spot Bitcoin ETFs listed on U.S. exchanges and is designed to reflect the price return performance of these ETFs. MBTX options are designed to offer more targeted exposure to the performance of these ETFs compared to options on the full-size index. As noted above, the Exchange offers MBTX options to provide investors with an alternative product to gain exposure to the performance of Bitcoin. MBTX options were designed to compete with options on the components of the Cboe Mini Bitcoin U.S. ETF Index. MBTX options provide investors with opportunity to gain exposure to these popular products with the benefits of index options (including European-style, cash settlement) and without risks associated with trading in Bitcoin and options on the ETF (including concentration risk and American-style, physical settlement). Options on three components of the Cboe Mini Bitcoin U.S. ETF Index are eligible for the Penny Interval Program, which is unsurprising given these constituents are actively traded in the market. MBTX options provide investors with a cash-

<sup>17</sup> As [sic] noted above, IBIT, BITO, and FBTC options qualify for the Penny Interval Program under Rule 5.4(a). However, the volume of IBIT options for the six-month period ending January 31, 2026 is nearly 25 times the volume of the next most actively traded constituent option and is the 11th most actively traded equity option based on volumes during that timeframe.

settled, European-settled [sic] option way to gain exposure to the performance of these ETFs,<sup>18</sup> and thus the performance of Bitcoin, as opposed to an option that is physically settled or subject to the risk of holding Bitcoin. As a result, the Exchange believes MBTX options should be eligible for the same pricing increments for competitive reasons to allow the Exchange to price these options at the same level of granularity as permitted for the largest of its competitor products<sup>19</sup> to promote competition and help level the competitive playing field among options that provide exposure to some of the most dominant stocks in the industry.<sup>20</sup> Permitting MBTX options to trade in the same increments as IBIT options (as well as BITO and FBTC options) will promote competition and help level the competitive playing field, thus promoting just and equitable principles of trade and removing impediments to and perfecting the mechanism of a free and open market and a national market system.

MBTX options are also intended to compete with Bitcoin futures products. For example, the Chicago Mercantile Exchange (“CME”), offers a Micro Bitcoin futures as a smaller-sized option to Bitcoin futures that offers investors a way to “fine-tune bitcoin exposure and enhance . . . trading strategies.”<sup>21</sup> As noted above, this is similar to the Exchange’s purpose of offering options on the Cboe Mini Bitcoin U.S. ETF Index.<sup>22</sup> The minimum tick size for

<sup>18</sup> Since MBTX options began trading in December 2024, the correlation of the Cboe Mini Bitcoin U.S. ETF Index and the index constituents ranged between approximately 96% and 100%. The correlation between the index and iShares Bitcoin Trust ETF was approximately 0.9999. Similarly, the correlation between the index and ProShares Bitcoin ETF and Fidelity Bitcoin Fund (on which options on those ETFs are also eligible for the Penny Interval Program) was approximately 0.9562 and 0.9999, respectively.

<sup>19</sup> As noted above, IBIT options were the 11th most actively traded equity options for the six-month period ending January 31, 2026, and its volume was nearly 25 times higher than then [sic] next-most actively traded index constituent option. It is for this reason the proposed rule change ties penny and nickel increments for MBTX options to IBIT options being eligible for the Penny Interval Program.

<sup>20</sup> The Exchange notes that other index options that trade on the Exchange are currently permitted to trade in smaller increments because competitive products can trade in those smaller increments. See Rule 5.4 (the minimum for XSP options is \$0.01 because that is the minimum increment for SPY options, and the minimum increment for DJX options is \$0.01 for series below \$3 and \$0.05 for series \$3 and above because that is the minimum increment for DIA options).

<sup>21</sup> See *Micro Bitcoin Futures and Options*, available at <https://www.cmegroup.com/markets/cryptocurrencies/bitcoin/micro-bitcoin.html>.

<sup>22</sup> See *Cboe Bitcoin U.S. ETF Index Options*, available at <https://www.cboe.com/tradable-products/cryptocurrency/bitcoin-etf-index-options/>.

Micro Bitcoin Futures is \$0.50, and the notional value of that contract is \$7,050. If a 100 delta is applied to the futures (which is appropriate given the ratio of the price movements of the future to the price movements of Bitcoin is one-to-one), the ratio of the minimum interval to the notional value of one contract is approximately 0.0071%. Using a 50 delta for the option (which is the approximate delta for an at-the-money option) and given the notional value of an MBTX option contract of \$16,610, that ratio is 0.0120%. Therefore, the proposed minimum tick size for MBTX options is still larger than the minimum tick size for the Micro Bitcoin Futures when compared to the contract notional value. However, given this percentage is 0.06% with the current minimum increment of \$0.05 for MBTX options, the proposed rule change would permit MBTX options to trade in a relative increment much more equivalent to that of Micro Bitcoin Futures.<sup>23</sup> MBTX options also provide investors with an alternative method to gain exposure to the performance of Bitcoin, which is eligible to trade in penny increments on various platforms, such as Coinbase. This is evidenced by the approximately 0.999 correlation between the Cboe Mini Bitcoin U.S. ETF Index and the S&P Spot Bitcoin Index since MBTX options began trading in December 2024. Therefore, the Exchange believes the proposed rule change will promote competition and help level the competitive playing field, thus promoting just and equitable principles of trade and removing impediments to and perfecting the mechanism of a free and open market and a national market system, as it will permit MBTX options to trade in increments that are the same as or similar to other competitive products.

The Exchange also believes consistency in pricing across related products may better facilitate cross-product trading strategies. For example, market participants may use options overlying components of the Cboe Mini Bitcoin U.S. ETF Index, including IBIT options, to hedge MBTX options or as part of other investment strategies involving MBTX options. The same is true with respect to Bitcoin itself as well

<sup>23</sup> The current disparity in the tick size compared to the notional value of the Micro Bitcoin futures and MBTX options is larger if calculated without a delta adjustment (the ratio of minimum increment compared to notional value without a delta adjustment for MBTX options is 0.03% considering \$0.05 minimum increment compared to the ratio for Micro Bitcoin futures of 0.0071%). The non-delta-adjusted ratio of a penny increment compared to notional value for MBTX options would be 0.006%, which is nearly the same as the Micro Bitcoin futures ratio.

as Bitcoin futures. Therefore, having the pricing increments for MBTX options aligned with these related products will permit investors to trade related products at more granular prices that may be more aligned with their investment objectives.

Further, finer increments also permit more precise pricing in line with the theoretical value of these options, particularly short-dated options. The Exchange may list MBTX options with nonstandard expirations,<sup>24</sup> and the Exchange has observed significant trading in MBTX options with these nonstandard expirations near their expiration dates. Nearly half of MBTX options traded in from August 1, 2025 through January 31, 2026 were traded with one week or less to expiration. Theoretical values of options change in response to changes in the underlying more rapidly closer to their expiration. Therefore, finer pricing permits investors to price these options to more accurately reflect then-current market conditions. A larger increment may create an artificially widespread [sic] compared to the option's actual value, which may impact execution quality. Similarly, premiums of shorter-dated options are often lower than premiums of longer-dated options given the reduced time value that exists in options closer to their expiration, so a lower trading increment is more proportional to the value of these options and further promotes tighter spreads. The value of the premium may fluctuate more given the proximity to expiration, and the Exchange believes providing investors with the ability to quote options nearing expiration in a finer increment will result in more efficient and accurate pricing for investors.

The same reasons supporting why finer trading increments are appropriate for shorter-dated options provided the same support for why more granular strikes are permitted for shorter-dated options. Specifically, in prior rule filings, the Exchange explained that smaller strike intervals for weekly expirations permit strikes on a more refined scale that, at times, will more closely reflect values in the underlying index and allow market participants to roll open positions from a lower strike to a higher strike in conjunction with the price movement of the underlying.<sup>25</sup>

<sup>24</sup> See Rule 4.13(e) (permitting the Exchange to list MBTX options with expirations on Mondays, Tuesdays, Wednesdays, Thursdays, and Fridays).

<sup>25</sup> See, e.g., Securities Exchange Act Release Nos. 90748 (December 21, 2020), 85 FR 85759, 85762 (December 29, 2020) (SR-CBOE-2020-118); and 104390 (December 15, 2025), 90 FR 59234, 59235 (December 18, 2025) (SR-CBOE-025-087).

The Exchange believes this provides market participants with efficient hedging and trading opportunities. The Exchange believes this same principle applies to trading increments for MBTX options, for which (as noted above) nearly a majority of trading is in shorter-dated options. Shorter-dated options experience more rapid time decay than longer-dated options because, as options approach their expiration dates, even relatively small movements in the underlying index can result in meaningful changes to option values. Finer trading increments of \$0.01 and \$0.05 allow market participants to price MBTX options with greater precision that more accurately reflects the theoretical value of these options as they approach expiration. This precision is particularly important for retail investors and market makers who need to adjust positions frequently in response to rapid changes in option values.

Additionally, market participants trading shorter-dated options typically roll or adjust their positions more frequently than those trading longer-dated options. With weekly and nonstandard expirations, investors may be rolling positions multiple times per month. Finer trading increments facilitate these frequent adjustments by providing more price points at which market participants can efficiently enter and exit positions. This is analogous to the Exchange's justification for smaller strike intervals.<sup>26</sup>

Further, just as the Exchange has determined that smaller strike price intervals are appropriate for shorter-dated options to provide more efficient hedging and trading opportunities,<sup>27</sup> the Exchange believes that finer trading increments serve the same purpose. As noted above, the Cboe Mini Bitcoin U.S. ETF Index comprises many highly liquid, actively traded stocks that experience continuous price discovery throughout the trading day. Shorter-dated MBTX options are more sensitive to these underlying movements due to their higher gamma (rate of change in delta). The proposed rule change to permit finer trading increments would allow MBTX option prices to track these underlying movements more closely, which the Exchange believes would provide market participants with pricing that more closely reflects the value of the underlying index. As a result, market participants would be able to execute their hedging and investment strategies with greater precision. While strike intervals

<sup>26</sup> *Id.*

<sup>27</sup> *Id.*

determine the available price points for different option contracts, trading increments determine the precision with which those contracts can be priced. For shorter-dated MBTX options, both forms of granularity would provide market participants with the tools they need to manage their positions more efficiently in a rapidly changing market environment.

The Exchange notes that MBTX options are eligible for complex order trading, which permits the legs to execute in penny increments, and the automated improvement mechanism ("AIM") auction for simple orders, which also permits penny executions.<sup>28</sup> Therefore, current rules already allow MBTX options to trade in penny increments in certain situations. From August 1, 2025 through January 31, 2026, nearly 70% of MBTX options volume executed in penny increments.

#### *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 proposed rule change will not impose any burden on intramarket competition that is not necessary or appropriate, because all Trading Permit Holders will be able to trade MBTX options in the proposed minimum trading increments. The proposed rule change will not impose any burden on intermarket competition that is not necessary or appropriate, because it will permit MBTX options to have pricing consistent with the pricing of its largest competitor product (IBIT options), as well as two other competitor products (BITO and FBTC options), which are part of the Penny Interval Program and may currently trade in increments of \$0.01 or \$0.05. Additionally, the proposed rule change to permit MBTX options to be listed in penny and nickel increments may relieve any burden on, or otherwise promote, competition, as it will allow market participants to trade these options at the same level of granularity as permitted for competitor products and related products, as discussed above. The Exchange also expects the more granular pricing to lead to narrowing of the bid-ask spread for these options, which the Exchange believes will increase order flow and price competition in MBTX options.

<sup>28</sup> See Rule 5.37(a)(4).

*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.

#### IV. Discussion and Commission Findings

After careful review, the Commission finds that the proposed rule change, as modified by Amendment No. 1, is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange.<sup>29</sup> In particular, the Commission finds that the proposed rule change, as modified by Amendment No. 1, is consistent with Section 6(b)(5) of the Act,<sup>30</sup> which requires, among other things, that the rules of a national securities exchange be designed to remove impediments to and perfect the mechanism of a free and open market and to protect investors and the public interest. The proposal will permit minimum increments of \$0.01 for series of MBTX options priced lower than \$3.00 and \$0.05 for series of MBTX options priced above \$3.00, as long as IBIT options participate in the Penny Interval Program.<sup>31</sup> The Exchange states that the proposal will promote competition and level the competitive playing field by allowing MBTX options to trade at the same level of granularity as IBIT options, the product with which MBTX options primarily seek to compete.<sup>32</sup> The Exchange states that since MBTX options began trading in December 2024, the correlation between MBTX and IBIT was approximately 0.9999.<sup>33</sup> In addition, the Exchange states that the correlation of the MBTX and the MBTX's component securities has ranged between approximately 96% and 100%.<sup>34</sup>

The Commission believes that the proposal will protect investors and the public interest and remove impediments to and perfect the mechanism of a free

and open market by allowing MBTX options to trade in the same minimum increments as IBIT options, a competing options product on an underlying ETP that is highly correlated with MBTX.<sup>35</sup> Permitting MBTX options to trade in the same minimum increments as IBIT options could promote competition and provide investors with an additional means to carry out their hedging and investment strategies. In addition, consistent with the protection of investors and the public interest, the Exchange represents that it believes that it has the necessary systems capacity to handle any potential additional message traffic associated with the proposal, and that OPRA has informed the Exchange that it believes it has the necessary systems capacity to handle any additional traffic that may result from this proposed rule change.<sup>36</sup>

#### V. Solicitation of Comments on Amendment No. 1 to the Proposed Rule Change

Interested persons are invited to submit written data, views, and arguments concerning whether the proposed rule change, as modified by Amendment No. 1, 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-2025-075 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 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 April 24, 2026.

#### VI. Accelerated Approval of the Proposed Rule Change, as Modified by Amendment No. 1

The Commission finds good cause to approve the proposed rule change, as modified by Amendment No. 1, prior to the thirtieth day after the date of publication of notice of the filing of Amendment No. 1 in the **Federal Register**. Amendment No. 1 revises the proposal to provide additional discussion and analysis supporting the proposed minimum increments and to state in Exchange Rule 5.4(a) that the proposed minimum increments for MBTX options will apply as long as options on IBIT participate in the Penny Interval Program. The additional discussion and analysis supporting the proposed minimum increments assists the Commission in evaluating the proposal and determining that the proposal is consistent with the Act and the rules and regulations thereunder applicable to a national securities exchange. The proposed change to Exchange Rule 5.4(a) makes clear that the proposed minimum increments for MBTX options are conditioned on IBIT options' continued participation in the Penny Interval Program. Amendment No. 1 does not raise new or novel regulatory issues. For these reasons, the Commission finds good cause, pursuant to Section 19(b)(2) of the Act,<sup>37</sup> to approve the proposed rule change, as modified by Amendment No. 1, on an accelerated basis.

#### VII. Conclusion

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>38</sup> that the proposed rule change (SR-Cboe-2025-075), as modified by Amendment No. 1,

<sup>29</sup> In approving this proposed rule change, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

<sup>30</sup> 15 U.S.C. 78f(b)(5).

<sup>31</sup> See proposed Cboe Rule 5.4(a).

<sup>32</sup> See Amendment No. 1 at 7 and 8. As discussed above, options on two other components of the MBTX, BITO and FBTC, also are eligible for the Penny Interval Program. The Exchange states that from August 1, 2025, to January 31, 2026, the volume of IBIT options was nearly 25 times the volume of the next most actively traded constituent option of the MBTX, demonstrating that IBIT options are the product with which MBTX options are primarily competing. See Amendment No. 1 at footnote 5.

<sup>33</sup> See Amendment No. 1 at 8, footnote 10.

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

<sup>35</sup> The Commission previously approved proposals allowing options to trade in the same minimum increments as competing products that participated in the Penny Pilot Program. See, e.g., Securities Exchange Act Release No. 70087 (July 31, 2013), 78 FR 47809 (Aug. 7, 2013) (order approving File No. SR-Cboe-2013-055) (permitting p.m.-settled options on the Mini SPX Index ("XSP") to trade in the same increments as SPDR S&P 500 Trust ETF ("SPY") options as long as SPY options participate in the Penny Pilot Program); and 56565 (Sept. 27, 2007), 72 FR 56403 (Oct. 3, 2007) (order approving File No. SR-Cboe-2007-98) (permitting a.m.-settled XSP options and Dow Jones Industrial Index options to trade in the same increments as SPY options and SPDR Dow Jones Industrial Average ETF Trust ("DIA") options for as long as SPY options and DIA options participate in the Penny Pilot Program).

<sup>36</sup> See Amendment No. 1 at 5.

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

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

be, and hereby is, approved on an accelerated basis.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>39</sup>

**Sherry R. Haywood,**

*Assistant Secretary.*

[FR Doc. 2026-06475 Filed 4-2-26; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105129; File No. SR-NASDAQ-2026-023]

### Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of a Proposal To Amend the Exchange's Anti-Internalization Functionality in Equity 4, Rule 4757, and To Extend the Implementation Date of the CORE FIX Order Entry Protocol

March 31, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on March 30, 2026, The Nasdaq Stock Market LLC ("Nasdaq" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "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

The Exchange proposes to amend the Exchange's anti-internalization functionality in Equity 4, Rule 4757, and to extend the implementation date of the CORE FIX order entry protocol.

The text of the proposed rule change is available on the Exchange's website at <https://listingcenter.nasdaq.com/rulebook/nasdaq/rulefilings>, 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

##### 1. Purpose

The purpose of the proposed rule change is to amend the Exchange's anti-internalization functionality in Equity 4, Rule 4757. This functionality assists participants in reducing trading costs from unwanted executions that could result from the interaction of executable buy and sell trading interest from the same firm. Currently, Rule 4757(a)(4) provides that market participants using the CORE FIX<sup>3</sup> or OUCH<sup>4</sup> order entry protocols may assign to orders entered through a specific order entry port a unique group identification modifier that will prevent quotes/orders with such modifier from executing against each other ("Port-Level Anti-Internalization Functionality"). The Exchange now proposes to amend Rule 4757(a)(4) to also make the Port-Level Anti-Internalization Functionality available to market participants using the FIX<sup>5</sup> and FLITE<sup>6</sup> order entry protocols.

The Exchange notes that the Port-Level Anti-Internalization Functionality is already currently available to market participants using the FLITE order entry protocol. Therefore, the Exchange is proposing to amend Rule 4757(a)(4), in part, to bring its rulebook in line with its current practice in this regard. Because the Exchange is already offering this functionality to market participants using the FLITE order entry protocol, the proposed rule change with regard to these market participants will become operative 30 days after this proposed rule change is filed. Meanwhile, the Exchange intends to begin offering the Port-Level Anti-Internalization Functionality to market participants using the FIX order entry protocol before the end of 2026. The Exchange will issue an Equity Trader Alert ahead of the implementation of this functionality for market participants using the FIX order entry protocol.

<sup>3</sup> CORE FIX is a proprietary order entry protocol. See Nasdaq Equity 4, Rule 4702(a).

<sup>4</sup> OUCH is a proprietary order entry protocol. See *id.*

<sup>5</sup> FIX is a non-proprietary order entry protocol. See *id.*

<sup>6</sup> FLITE is a proprietary order entry protocol. See *id.*

Finally, in 2025 the Exchange announced its intention to implement CORE FIX, a new order entry protocol, by the third quarter of 2025.<sup>7</sup> Due to re-prioritization of the Exchange's product pipeline, the Exchange now proposes to implement CORE FIX before the end of 2026. The Exchange will issue an Equity Trader Alert ahead of the implementation of CORE FIX on the Exchange.

##### 2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,<sup>8</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>9</sup> in particular, in that it is designed 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.

As a preliminary matter, the Exchange notes that the Port-Level Anti-Internalization Functionality is not novel. Rule 4757(a)(4) already makes this functionality available to market participants who use the OUCH order entry protocol. The rule also provides that this functionality will be available to market participants who use the CORE FIX order entry protocol, when that protocol is implemented on the Exchange. What the Exchange is now proposing is to also make this specific functionality available to market participants who use the FIX order entry protocol, and to have the rule reflect the reality that this functionality is currently available to market participants who use the FLITE order entry protocol.

The proposal is consistent with the Act and is designed to remove impediments to and perfect the mechanism of a free and open market and a national market system, because it is extending the existing Port-Level Anti-Internalization Functionality to market participants who use the FIX order entry protocol. This proposal is also consistent with the Act and is designed to promote just and equitable principles of trade and to protect investors and the public interest, because it ensures that the Exchange's rulebook accurately reflects that market participants who use the FLITE order entry protocol are already able to use the Port-Level Anti-Internalization Functionality. Extending this anti-

<sup>7</sup> See Securities Exchange Act Release No. 102661 (Mar. 13, 2025), 90 FR 12858 (Mar. 19, 2025) (File No. SR-NASDAQ-2025-027).

<sup>8</sup> 15 U.S.C. 78f(b).

<sup>9</sup> 15 U.S.C. 78f(b)(5).

<sup>39</sup> 17 CFR 200.30-3(a)(12).

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

<sup>2</sup> 17 CFR 240.19b-4.