



SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-104298; File No. SR-CboeBZX-2025-148]

Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend Its Fee Schedule

December 3, 2025.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”)¹ and Rule 19b-4 thereunder,² notice is hereby given that on November 20, 2025, Cboe BZX Exchange, Inc. (the “Exchange” or “BZX”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The 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 its Fees Schedule to adopt twelve new fee codes and three volume-based tier incentive programs in connection with the implementation of the Exchange’s new Complex order functionality. 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/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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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 modify its Fees Schedule to adopt fees in connection with its handling of Complex orders.³

The Exchange proposes to adopt twelve new fee codes in connection with this new Complex order functionality, which will be added to the Fee Codes and Associated Fees table of the Fees Schedule. These fee codes represent the fees applicable to Complex orders, as described below. In addition, the Exchange proposes to adopt three new volume-based tier incentive programs, which will be added to Footnotes 10, 11, and 12, as described below.

Fee Codes Changes

Customer Pricing for Transactions on Complex Order Book

The Exchange proposes to adopt three fee codes for Customer⁴ Complex orders that trade on the BZX Options complex order book (“COB”) (i.e., fee codes ZA, ZB, and ZC). As proposed, the Exchange will apply fee code ZA to Customer Complex orders that are executed on the COB with a Non-Customer⁵ as the contra-party in Penny Program Securities⁶ and will provide such orders a rebate of \$0.40 per contract. The Exchange will apply fee code ZB to Customer Complex orders that are executed on the COB with a Non-Customer as the contra-

³ The Exchange introduced complex order handling effective October 13, 2025; see Securities Exchange Act Release No. 104000 (September 18, 2025), 90 FR 45819 (September 23, 2025) (SR-CboeBZX-2025-126). The Exchange initially filed the proposed fee changes on September 26, 2025 (SR-CboeBZX-2025-136). On November 20, 2025, the Exchange withdrew that filing and submitted SR-CboeBZX-2025-147. On November 20, 2025, the Exchange withdrew that filing and submitted this filing.

⁴ “Customer” applies to any order for the account of a Priority Customer. See the Exchange’s Fee Schedule available at: https://www.cboe.com/us/options/membership/fee_schedule/bzx/.

⁵ “Non-Customer” applies to any transaction that is not a Customer order. Id.

⁶ “Penny Program Securities” are those issues quoted pursuant to Exchange Rule 21.5(d). Id.

party in Non-Penny Program Securities⁷ and will provide such orders a rebate of \$0.80 per contract. The Exchange will apply fee code ZC to Customer Complex orders that are executed on the COB with another Customer as the contra-party and will not assess a fee or provide any rebate for such orders; there is no proposed distinction between pricing for such orders in Penny Program Securities and Non-Penny Program Securities.

Complex Order legs into simple book

As described in Rule 21.18, which will become operative in connection with the Exchange's implementation of its complex order functionality,⁸ in addition to complex orders executing against other complex orders on the COB, complex orders will, in certain circumstances instead "leg" into the BZX Options Simple Book⁹ and execute against interest resting on the Simple Book. The Exchange proposes to adopt three fee codes for complex order legs into the Simple Book (i.e., fee codes ZD, ZO, ZP). As proposed, the Exchange will apply fee code ZD to Customer Complex orders that are not executed on the COB but instead leg into the Simple Book and will not assess a fee or provide any rebate for such orders. The Exchange will apply fee code ZO to Non-Customer Complex orders in Penny Program Securities that are not executed on the COB but instead leg into the Simple Book and will not assess a fee or provide any rebate for such orders. The Exchange will apply fee code ZP to Non-Customer Complex orders in Non-Penny Program Securities that are not executed on the COB but instead leg into the Simple Book and will not assess a fee or provide any rebate for such orders.

Complex Trades at the Open and Simple order trades with Complex order

The Exchange proposes to adopt fee codes OC and ZE. As proposed, the Exchange will apply fee code OC to Complex orders that trade at the open and will not assess a fee or provide

⁷ The term "Non-Penny Pilot Security" applies to those issues that are not Penny Program Securities quoted pursuant to Exchange Rule 21.5(d).

⁸ See Securities Exchange Act Release No. 104000 (September 18, 2025), 90 FR 45819 (September 23, 2025) (SR-CboeBZX-2025-126).

⁹ The term "Simple Book" means the electronic book of simple options orders maintained by the Trading System. See Rule 16.1.

any rebate for such orders. The Exchange will apply fee code ZE to Simple order trades with a Complex order and will not assess a fee or provide any rebate for such orders.

Non-Customer Pricing – Non-Customer as Contra-Party

Finally, the Exchange proposes to adopt four fee codes to cover all Complex order transactions between Non-Customers on the COB (i.e., fee codes ZF, ZG, ZH, and ZJ). As proposed, the Exchange would apply fee code ZF to Non-Customer Complex orders executed on the COB that add liquidity in Penny Program Securities and would charge such orders a fee of \$0.50 per contract. The Exchange will apply fee code ZG to Non-Customer Complex orders executed on the COB that remove liquidity in Penny Program Securities and would charge such orders a fee of \$0.50 per contract. The Exchange will apply fee code ZH to Non-Customer complex orders executed on the COB that add liquidity in Non-Penny Program Securities and would charge such orders a fee of \$0.90 per contract. Last, the Exchange would apply fee code ZJ to Non-Customer complex orders executed on the COB that remove liquidity in Non-Penny Program Securities and will charge such orders a fee of \$0.90 per contract.

New Volume Tier Programs

As discussed above, in addition to setting forth the proposed fees and rebates in the Fee Codes and Associated Fees table, the Exchange proposes to amend Footnotes 10, 11, and 12 and adopt three volume-based tier incentive programs.¹⁰

First, the Exchange proposes to adopt Complex order Customer (contra Non-Customer) Penny Volume Tiers, applicable to qualifying Complex Customer (contra Non-Customer) orders in Penny Program Securities yielding fee code ZA, to Footnote 10 of the Fee Schedule.¹¹ Under the proposed Complex order Customer (contra Non-Customer) Penny Volume Tiers, the Exchange proposes to offer three tiers. The specific tiers and corresponding rebates, as proposed,

¹⁰ Currently, Footnotes 10, 11, and 12 are marked as “Reserved”; the proposed change deletes the Reserved language.

¹¹ The Exchange proposes to append a reference to Footnote 10 to fee code ZA within the Fee Codes and Associated Fees table.

are as follows:

- Tier 1 provides a rebate of \$0.43 per contract for all qualifying orders yielding fee code ZA (i.e., Customer contra Non-Customer complex orders in Penny Program Securities), where a Member has an ADV¹² in Complex Customer orders $\geq 0.10\%$ of average OCV;¹³
- Tier 2 provides a rebate of \$0.45 for all qualifying orders yielding fee code ZA where a Member has (1) an ADV in Complex Customer orders $\geq 0.15\%$ of average OCV; and (2) an ADAV¹⁴ in Market Maker orders $\geq 0.35\%$ of average OCV; and
- Tier 3 provides a rebate of \$0.47 per contract for all qualifying orders yielding fee code ZA where a Member has (1) an ADV in Complex Customer orders $\geq 0.25\%$ of average OCV; and (2) has an ADAV in Market Maker orders $\geq 0.35\%$ of average OCV.

Next, the Exchange proposes to adopt Complex order Customer (contra Non-Customer) Non-Penny Volume Tiers, applicable to qualifying Complex Customer (contra Non-Customers) orders in Non-Penny Program Securities yielding fee code ZB, to Footnote 11 of the Fee Schedule.¹⁵ Under the proposed Complex order Customer (contra Non-Customer) Non-Penny Volume Tiers, the Exchange proposes to offer three tiers. The specific tiers and corresponding rebates, as proposed, are as follows:

¹² “ADV” means average daily volume calculated as the number of contracts added or removed, combined, per day.

¹³ “OCC Customer Volume” or “OCV” means the total equity and ETF options volume that clears in the Customer range at the Options Clearing Corporation (“OCC”) for the month for which the fees apply, excluding volume on any day that the Exchange experiences an Exchange System Disruption and on any day with a scheduled early market close. Average OCV is the average daily OCV for the month (i.e., total OCV divided by the number of trading days in the month); for example, in a month with 20 trading days, if OCV is 1,040,000,000, the average OCV would be 1,040,000,000/20, or 52,000,000.

¹⁴ “ADAV” means average daily added volume calculated as the number of contracts added.

¹⁵ The Exchange proposes to append a reference to Footnote 11 to fee code ZB within the Fee Codes and Associated Fees table.

- Tier 1 provides a rebate of \$0.84 per contract for all qualifying orders yielding fee code ZB (i.e., Customer contra Non-Customer complex orders in Non-Penny Program Securities), where a Member has an ADV in Complex Customer orders $\geq 0.10\%$ of average OCV;
- Tier 2 provides a rebate of \$0.88 for all qualifying orders yielding fee code ZB where a Member has (1) an ADV in Complex Customer orders $\geq 0.15\%$ of average OCV; and (2) an ADAV in Market Maker orders $\geq 0.35\%$ of average OCV; and
- Tier 3 provides a rebate of \$0.92 per contract for all qualifying orders yielding fee code ZB where a Member has (1) an ADV in Complex Customer orders $\geq 0.25\%$ of average OCV; and (2) an ADAV in Market Maker orders $\geq 0.35\%$ of average OCV.

Finally, the Exchange proposes to adopt a Complex order Non-Customer Penny Add Volume Tier, applicable to qualifying Complex Non-Customer orders in Penny Program Securities that add liquidity yielding fee code ZF, to Footnote 12 of the Fee Schedule.¹⁶ Under the proposed Complex order Non-Customer Penny Add Volume Tier, the Exchange proposes to assess a fee of \$0.49 per contract for all qualifying orders yielding fee code ZF where a Member has (1) an ADV in Complex Customer orders $\geq 0.15\%$ of average OCV; and (2) an ADAV in Market Maker orders $\geq 0.35\%$ of average OCV.

Other Clarifying Changes

Finally, the Exchange proposes clarifying changes to the required criteria for the Customer Penny Add Volume Tiers (set forth in Footnote 1), Customer Penny Take Volume Tier (set forth in Footnote 2), Market Maker Penny Add Volume Tiers (set forth in Footnote 6), Market Maker Non-Penny Add Volume Tiers (set forth in Footnote 7), and Professional Penny Add Volume Tiers (set

¹⁶ The Exchange proposes to append a reference to Footnote 12 to fee code ZF within the Fee Codes and Associated Fees table.

forth in Footnote 9), to denote that the required criteria relates to Simple orders rather than Complex orders. There are no changes to the programs, including any fee assessed or rebate offered under the programs, as a result of the proposal.

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.¹⁷ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹⁸ 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)¹⁹ 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,²⁰ which requires that Exchange rules provide for the equitable allocation of reasonable dues, fees, and other charges among its Members and other persons using its facilities.

The Exchange’s proposal establishes fees and rebates regarding complex orders, which is new functionality that will be adopted by the Exchange.²¹ The Exchange’s planned launch of a complex order book is a competitive offering, and the Exchange believes that its proposed

¹⁷ 15 U.S.C. 78f(b).

¹⁸ 15 U.S.C. 78f(b)(5).

¹⁹ Id.

²⁰ 15 U.S.C. 78f(b)(4).

²¹ See Securities Exchange Act Release No. 104000 (September 18, 2025), 90 FR 45819 (September 23, 2025) (SR-CboeBZX-2025-126).

pricing will incentivize its use.

The Exchange operates in a highly competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive or incentives to be insufficient. The proposed rule change reflects a competitive pricing structure designed to incentivize market participants to direct their order flow to the Exchange, which the Exchange believes would enhance market quality to the benefit of all Members.

Fee Codes

With respect to the proposal to adopt a rebate for Customer orders that interact with Non-Customer orders on the COB (i.e., yielding fee codes ZA or ZB), the Exchange believes this is reasonable because it encourages participation on the COB by entry of Customer orders to the Exchange. The rebate for Customer complex orders is designed to encourage Customer orders entered into the Exchange, which is reasonable for the reasons further discussed below. The Exchange notes that the proposed rebate is in-line with rebates offered by other options exchanges for similar transactions, albeit slightly higher, which the Exchange believes is reasonable given it will be a new venue for trading complex orders and thus offering slightly higher incentives may attract order flow from incumbent exchanges.²² The Exchange also believes it is reasonable, equitable and not unreasonably discriminatory not to assess a fee or provide a rebate for Customer-to Customer orders (i.e., yielding fee code ZC) because other options exchanges similarly do not charge or provide a rebate for such orders.²³

²² See, e.g., NYSE Arca Options Fees and Charges, Trade-Related Charges for Standard Options, Transaction Fee for Electronic Executions – Per Contract, Electronic Complex, which provides Customers a standard rebate of \$0.39 per contract for Customer vs. Non-Customer complex order electronic executions in penny issues and a standard rebate of \$0.75 per contract for Customer vs. Non-Customer complex order electronic executions in non-penny issues. See also EDGX Options Fee Schedule, which provides for a standard rebate of \$0.39 per contract for complex Customer (contra Non-Customer) orders in Penny Program Securities and a standard rebate of \$0.75 per contract for complex Customer (contra Non-Customer) orders in Non-Penny Program Securities.

²³ See, e.g., NYSE Arca Options Fees and Charges, Trade-Related Charges for Standard Options, Transaction Fee for Electronic Executions – Per Contract, Electronic Complex, which assesses no fee or provides no rebate for Customer vs. Customer orders in all issues. See also EDGX Options Fee Schedule, which assesses no fee or provides no rebate for Customer (contra Customer) complex orders.

With respect to the fees applicable to Non-Customer Complex orders (i.e., fee codes ZF, ZG, ZH, or ZJ), the Exchange believes the proposed fees are reasonable and equitable, as they are similar to fees charged by at least one other options exchange for similar transactions.²⁴ The Exchange notes that while the proposed fees for Non-Customer complex orders that add or remove liquidity in Non-Penny Program Securities is slightly higher than similar fees charged by other options exchange, the Exchange believes such fees remain reasonable as such fees are part of a balanced pricing structure which supports the development of the Exchange's complex order offering. The proposed fees are not unreasonably discriminatory as compared to Customer orders for the reasons described below, and vis-à-vis other Non-Customer orders because all types of Non-Customer orders will be charged identical fees as proposed.

Similarly, the Exchange believes that fees which include different rates for Penny Program Securities and Non-Penny Program Securities are well-established in the options industry, including on the Exchange's current Fee Schedule.²⁵ The Exchange believes it is reasonable, equitably allocated and non-discriminatory to impose higher fees in Non-Penny Program Securities than Penny Program Securities because Penny Program Securities and Non-Penny Program Securities have different liquidity, spread and trading characteristics. In particular, spreads in Penny Program Securities are tighter than those in Non-Penny Program Securities (which trade in increments of \$0.05 or greater). The wider spreads in Non-Penny Program Securities allow for greater profit potential.

Providing Customers a rebate or no charge for complex orders depending on contra-party, while assessing Non-Customers a fee for complex orders, is reasonable because of the

²⁴ See, e.g., NYSE Arca Options Fees and Charges, Trade-Related Charges for Standard Options, Transaction Fee for Electronic Executions – Per Contract, Electronic Complex, which assesses Non-Customers a standard transaction fee of \$0.50 per contract for Customer vs. Non-Customer and Non-Customer vs. Non-Customer complex order electronic executions in penny issues and a standard transaction fee of \$0.85 per contract for Customer vs. Non-Customer and Non-Customer vs. Non-Customer complex order electronic executions in non-penny issues, with a \$0.12 per contract surcharge applied to any electronic Non-Customer Complex Order that executes against a Customer Complex Order (the “Non-Customer Complex Surcharge”).

²⁵ Id.

desirability of Customer activity. The proposed new fees and rebates for complex orders are generally intended to encourage greater Customer trade volume to the Exchange. Customer order flow enhances liquidity on the Exchange for the benefit of all market participants and benefits all market participants by providing more trading opportunities, which attracts market makers and other liquidity providers. 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 practice of incentivizing increased Customer order flow through a fee and rebate schedule in order to attract professional liquidity providers is, and has been, commonly practiced in the options markets, and the Exchange.²⁶ The proposed fee and rebate schedule is designed to incentivize Customer order flow. Other competing exchanges offer different fees and rebates for orders executed on behalf of different market participants (i.e., orders with different origin codes).²⁷ Other competing exchanges also charge different rates for transactions on their complex order books for customers versus their non-customers in a manner similar to the proposal, including the provision of rebates to customers.²⁸

The Exchange believes establishing a rebate or no charge for Customer orders depending on contra-party and a fee for Non-Customer Orders is also equitable and not unfairly discriminatory. This is because the Exchange's proposal will apply the same to all similarly situated participants. Moreover, all similarly situated Complex orders are subject to the same proposed Fee Schedule, and access to the Exchange is offered on terms that are not unfairly discriminatory. In addition, the proposed changes are equitable and not unfairly discriminatory because, while other market participants (Non-Customers) will be assessed a fee, Customers will receive a rebate or be assessed no charge because an increase in Customer order flow may bring

²⁶ See the Exchange's Fee Schedule, available at: https://www.cboe.com/us/options/membership/fee_schedule/bzx/; see also, e.g., MIAX Options Exchange Fee Schedule and EDGX Options Fee Schedule.

²⁷ Id.

²⁸ Id.

greater volume and liquidity, which benefits all market participants by providing more trading opportunities and tighter spreads.

The Exchange believes it is reasonable to provide that Customer and Non-Customer orders that leg into the Simple Book (yielding fee codes ZO, ZP, or ZC), Simple orders that trade with Complex orders (yielding fee code ZE), and Complex trades at the open (yielding fee code OC) will be executed without application of any fee and rebate is reasonable, equitably allocated, and not unreasonably discriminatory. Specifically, the Exchange believes it is reasonable to provide that Customer and Non-Customer orders that leg into the Simple Book and that Simple order trades with Complex orders will be executed without application of any fee and rebate, as other options exchanges do not, in certain instances, charge a fee or provide a rebate for such orders.²⁹ Further, the Exchange believes its proposal is equitable and not unreasonably discriminatory as it will apply equally to all orders that leg into the Simple Book and all Simple order trades trade with Complex orders.

Similarly, the Exchange believes that it is reasonable to provide that Complex trades at the open (yielding fee code OC) will be executed without application of any fee and rebate is reasonable, as the Exchange currently applies a similar fee structure for another type of trade at the open.³⁰ The Exchange believes its proposal is equitable and not unreasonably discriminatory as it will apply equally to all Complex trades at the open.

Volume Tiers

²⁹ See Nasdaq ISE, Section 3, Note 10, which provides there will be no fee charged or rebate provided when trading against non-Priority Customer Complex Orders that leg into the regular order book; Note 11, which provides Market Makers that qualify for Market Maker Plus in Select Symbols will not pay any fee nor receive any rebate in the symbols for which they qualify for Market Maker Plus when trading against Priority Customer Complex Orders that leg into the regular order book; and Note 18, which provides there will be no fee charged or rebate provided in Non-Select Symbols when trading against Priority Customer Complex Orders that leg into the regular order book. See also Nasdaq ISE, Section 4, Note 1, which provides that no Priority Customer Complex Order rebates will be provided in Non-Select Symbols if any leg of the order trades with interest on the regular order book, irrespective of order size. See also EDGX Options Fee Schedule which provides there will be no fee charged or rebate provided for Complex Customer order legs into Simple Book.

³⁰ See BZX Options Fee Schedule, fee code "BO" which assesses no fee and provides no rebate for RUT trades on the open.

The Exchange believes the proposed volume-based tier incentive programs are reasonable, equitable, and not unfairly discriminatory. The Exchange notes that relative volume-based incentives and discounts have been widely adopted by exchanges³¹, including the Exchange³², and are reasonable, equitable and non-discriminatory because they are open to all members on an equal basis and provide additional benefits or discounts that are reasonably related to (i) the value to an exchange's market quality and (ii) associated higher levels of market activity, such as higher levels of liquidity provision and/or growth patterns. Additionally, the Exchange operates in a highly competitive market. The Exchange is only one of several options venues to which market participants may direct their order flow, and it represents a small percentage of the overall market. Competing options exchanges offer similar tiered pricing structures to that of the Exchange, including schedules of rebates and fees that apply based upon members achieving certain volume and/or growth thresholds and offer comparable pricing to members for achieving such tiers.

Specifically, the Exchange believes its proposal to adopt Complex order Customer (contra Non-Customer) Penny and Non-Penny Volume Tiers programs, set forth in Footnotes 10 and 11 respectively, is reasonable because it provides the opportunity for Members to receive a rebate by providing for increased volume-based criteria they can reach for, similar to programs at other options exchanges.³³ The Exchange believes the programs will serve as a reasonable means

³¹ See e.g., MIAX Options Fee Schedule, Section 1(a)(i), which provides reduced fees (ranging from \$0.03 to \$0.32) for Market Maker orders that reach various percentage thresholds of volume; and Section 1(a)(iii), which provides certain credits (ranging from \$0.00 to \$0.28) for Customer orders, including agency orders submitted to an exchange auction, that reach various percentage thresholds; and Cboe EDGX Options Exchange Fee Schedule, Footnote 1, Customer Volume Tiers; and Footnote 2, Market Maker Volume Tiers; and Footnote 4, Firm Penny Program Cross-Asset Tier, all of which provide various tier with different, incrementally more difficult criteria, many of which are based on average volumes as a percentage of average OCV.

³² See i.e., Cboe BZX Options Exchange Fee Schedule, Footnote 1, Customer Penny Add Volume Tiers; Footnote 2, Customer Penny Take Volume Tier; Footnote 6, Market Maker Penny Add Volume Tiers; and Footnote 7, Market Maker Non-Penny Add Volume Tiers.

³³ See NYSE Arca Options Fees and Charges, Trade-Related Charges for Standard Options, Transaction Fee for Electronic Executions – Per Contract, Electronic Complex, Customer Complex Credit Tiers, which provide certain credits ranging from \$0.41 to \$0.50 (for penny issues) and from \$0.77 to \$0.90 (for non-penny issues) for electronic executions of Customer Complex interest against Non-Customer Complex interest for OTP Holders and OTP Firms that meet applicable volume-based qualifications. See also EDGX

to encourage Members to increase their remove order volume on the Exchange, particularly in connection with additional Customer order flow to the Exchange in order to benefit from the provided rebate. The Exchange also notes that any overall increased liquidity that may result from the proposed tier incentives benefits all investors by offering additional flexibility for all investors to enjoy cost savings, supporting the quality of price discovery, promoting market transparency and improving investor protection.

The Exchange also believes the proposed change to adopt Complex order Customer (contra Non-Customer) Penny and Non-Penny Volume Tiers programs is equitable and not unfairly discriminatory because it applies uniformly to all Members that may qualify for the tiers (i.e., Market-Makers (“MMs”)), who will have the opportunity to meet the tier criteria and receive the corresponding enhanced rebate if such criteria is met. The Exchange believes it is equitable and not unfairly discriminatory to include tier criteria designed to incentivize MM order flow, as an increase in MM activity facilitates tighter spreads, which may lead to additional increase of order flow from other market participants, further contributing to a deeper, more liquid market to the benefit of all market participants by creating a more robust and well-balanced market ecosystem.

The Exchange also believes that it is equitable and not unfairly discriminatory to apply the proposed program to Customer order flow, as compared to other market participant order flow, 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 attract MMs. As noted above, an increase in the activity of MMs in turn facilitates tighter spreads, which may cause an additional corresponding increase in order flow from other market participants. The rebates offered to Members for Customer order flow under the

Options Fee Schedule, Customer Volume Tiers applicable to fee code ZA which provide certain rebates per contract ranging from \$0.40 to \$0.50 for Complex Customer (contra Non-Customer) orders in Penny Program Securities and fee code ZB which provide certain rebates per contract ranging from \$0.80 to \$1.00 for Complex Customer (contra Non-Customer orders) in Non-Penny Program Securities, for Members that meet applicable volume-based qualifications.

proposed program are intended to attract more Customer trading volume to the Exchange.

The Exchange also believes its proposal to adopt a Complex order Non-Customer Penny Add Volume Tier program, set forth in Footnote 12, is reasonable because it provides the opportunity for Members to receive a reduced fee by providing for increased volume-based criteria they can reach for. As noted above, relative volume-based incentives and discounts have been widely adopted by exchanges, including the Exchange. The Exchange believes the proposed program will serve as a reasonable means to encourage Members to increase their add volume on the Exchange in order to benefit from the reduced fee. The Exchange also notes that any overall increased liquidity that may result from the proposed tier incentives benefits all investors by offering additional flexibility for all investors to enjoy cost savings, supporting the quality of price discovery, promoting market transparency and improving investor protection.

The Exchange believes the proposed change to adopt a Complex order Non-Customer Penny Add Volume Tier program is equitable and not unfairly discriminatory because it applies uniformly to all Members that may qualify for the tier (i.e., MMs), who will have the opportunity to meet the tier criteria and receive the corresponding enhanced rebate [sic] if such criteria is met. The Exchange believes it is equitable and not unfairly discriminatory to include tier criteria designed to incentivize MM order flow, as an increase in MM activity facilitates tighter spreads, which may lead to additional increase of order flow from other market participants, further contributing to a deeper, more liquid market to the benefit of all market participants by creating a more robust and well-balanced market ecosystem.

The Exchange also believes that it is equitable and not unfairly discriminatory to apply the proposed program to Non-Customer order flow, as compared to Customer order flow, because Non-Customers can include members that are MMs with quoting obligations, which other market participants do not have. Further, these rebates are intended to incentivize Non-Customers to trade more on the Exchange, thereby providing more trading opportunities for all market participants.

The Exchange also notes that the proposed tiers will not adversely impact any Member's pricing or their ability to qualify for other rebate tiers. Rather, should a Member not meet the proposed criteria for a tier, the Member will merely not receive the corresponding enhanced rebate or reduced fee. Furthermore, the existing rebate and fees will continue to uniformly apply to all Members that meet the required criteria, as amended, per each respective tier.

Other Clarifying Changes

The Exchange believes the proposed modification to specify within current volume-based tier program that the required criteria is specific to Simple orders (as opposed to Complex orders) is reasonable, equitable, and not unfairly discriminatory. As noted above, there are no changes to the programs, including any fee assessed or rebate provided. The proposed change is non-substantive and merely clarifies the existing criteria in light of the Exchange's planned implementation of its new complex order functionality.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe the proposed changes will impose any burden on intramarket competition. Particularly, the proposed fee code changes apply to all participants, as applicable (e.g., based on capacity and order). 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 Customer orders is a long-standing options industry practice which serves to enhance Customer order flow, thereby attracting MMs to facilitate tighter spreads and trading opportunities to the benefit of all market participants.

Similarly, the proposed amendments to adopt the Complex order Customer (contra Non-Customer) Penny and Non-Penny Volume Tiers programs apply uniformly to all Members that may qualify for the tiers (i.e., MMs), who will have the opportunity to meet each of the

respective program's tier's criteria and receive the corresponding enhanced rebate for the tier if such criteria is met. As noted above, an increase in MM activity facilitates tighter spreads, which may lead to additional increase of order flow from other market participants, further contributing to a deeper, more liquid market to the benefit of all market participants by creating a more robust and well-balanced market ecosystem.

As discussed above, in regards to applying the proposed programs to Customer order flow, 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 MMs. 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 rebates offered to Customers under the programs are intended to attract more Customer trading volume to the Exchange.

The Complex order Non-Customer Penny Add Volume Tier program applies uniformly to all Members that may qualify for the tier (i.e., MMs), who will have the opportunity to meet the program's tier criteria and receive the corresponding reduced fee for the tier if such criteria is met. All Members that qualify for the tier are able to increase their applicable order flow to attempt to achieve the program's tier. Should a Member not meet the criteria, the Member will merely not receive that corresponding enhanced rebate or reduced fee, as applicable. As noted above, an increase in MM activity facilitates tighter spreads, which may lead to additional increase of order flow from other market participants, further contributing to a deeper, more liquid market to the benefit of all market participants by creating a more robust and well-balanced market ecosystem.

Finally, the proposed clarifying change will not impose any burden on intramarket competition. As noted above, there are no changes to the programs, including any fee assessed or rebate provided. The proposed change is non-substantive and merely clarifies the existing criteria in light of the Exchange's planned implementation of its new complex order functionality.

The Exchange also 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. As previously discussed, the Exchange operates in a highly competitive market. Members have numerous alternative venues that they may participate on and direct their order flow, including 17 other options exchanges and off-exchange venues. Additionally, the Exchange represents a small percentage of the overall market. Based on publicly available information, no single options exchange has more than 14% of the market share.³⁴ Therefore, no exchange possesses significant pricing power in the execution of option order flow. Indeed, participants can readily choose to send their orders to other exchange and off-exchange venues if they deem fee levels at those other venues to be more favorable. Moreover, the Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. Specifically, in Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and, also, recognized that current regulation of the market system “has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies.”³⁵ The fact that this market is competitive has also long been recognized by the courts. In *NetCoalition v. Securities and Exchange Commission*, the D.C. Circuit stated as follows: “[n]o one disputes that competition for order flow is ‘fierce.’ ... As the SEC explained, ‘[i]n the U.S. national market system, buyers and sellers of securities, and the broker-dealers that act as their order-routing agents, have a wide range of choices of where to route orders for execution’; [and] ‘no exchange can afford to take its market share percentages for granted’ because ‘no exchange possesses a monopoly, regulatory or otherwise, in the execution of order flow from broker dealers’”³⁶ Accordingly, the Exchange does not believe

³⁴ See Cboe Global Markets U.S. Options Monthly Market Volume Summary (September 25, 2025), available at https://markets.cboe.com/us/options/market_statistics/.

³⁵ See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005).

³⁶ *NetCoalition v. SEC*, 615 F.3d 525, 539 (D.C. Cir. 2010) (quoting Securities Exchange Act Release No.

its proposed fee change imposes any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

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 written 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 Act³⁷ and paragraph (f) of Rule 19b-4³⁸ 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-CboeBZX-2025-148 on the subject line.

Paper Comments:

59039 (December 2, 2008), 73 FR 74770, 74782-83 (December 9, 2008) (SR-NYSEArca-2006-21)).

³⁷ 15 U.S.C. 78s(b)(3)(A).

³⁸ 17 CFR 240.19b-4(f).

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.

All submissions should refer to file number SR-CboeBZX-2025-148. 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-CboeBZX-2025-148 and should be submitted on or before [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

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

Sherry R. Haywood,

Assistant Secretary.

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³⁹ 17 CFR 200.30-3(a)(12).