



SECURITIES AND EXCHANGE COMMISSION

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Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Notice of Filing of a Proposed Rule Change to Amend Rule 14.11(j) to Eliminate the Requirement that the Exchange Distribute an Information Circular Prior to the Commencement of Trading in Each UTP Derivative Security

January 22, 2026.

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 January 7, 2026, Cboe BZX Exchange, Inc. (“Exchange” or “BZX”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

Cboe BZX Exchange, Inc. (“BZX” or the “Exchange”) is filing with the Securities and Exchange Commission (“Commission” or “SEC”) a proposed rule change to amend Rule 14.11(j) to eliminate the requirement that the Exchange distribute an information circular prior to the commencement of trading in each UTP Derivative Security.³

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.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Exchange Rule 1.5(ee) (defining “UTP Derivative Security”).

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 Exchange proposes to amend Rule 14.11(j) to eliminate the requirement that the Exchange distribute an information circular prior to the commencement of trading in each UTP Derivative Security as provided in Rule 14.11(j)(1). The Exchange also proposes to make conforming changes to the numbering of Rule 14.11(j)(1) through (5).

Rule 14.11(j) governs the trading of UTP Derivative Securities on the Exchange. These securities are listed on another national securities exchange and trade on the Exchange pursuant to unlisted trading privileges (“UTP”). Under current Rule 14.11(j)(1), the Exchange must distribute an information circular before trading begins in each UTP Derivative Security.⁴ The Exchange now proposes to delete Rule 14.11(j)(1) in its entirety, thereby removing this requirement.

The Exchange believes the existing information circular requirement is unnecessary and, in some cases, places a greater burden on a UTP trading venue than on the primary listing exchange. Under Rule 14.11, the Exchange is required to issue an information circular as a

⁴ The information circular generally includes the same information as contained in the information circular provided by the listing exchange, including: (a) the special risks of trading the Derivative Security; (b) the Exchange Rules that will apply to the Derivative Security, including Rule 3.7; (c) information about the dissemination of the value of the underlying assets or indexes; and (d) the risk of trading during the Early Trading Session (2:30 a.m. – 8:00 a.m. Eastern Time), Pre-Opening Session (8:00 a.m. – 9:30 a.m. Eastern Time) and the After Hours Trading Session (4:00 p.m. – 8:00 p.m. Eastern Time) due to the lack of calculation or dissemination of the underlying index value, the Intraday Indicative Value (as defined in Rule 14.11(b)(3)(C)) or a similar value.

primary listing market only for Trust Certificates,⁵ Selected Equity-linked Debt Securities (“SEEDS”),⁶ Other Securities,⁷ Managed Fund Shares,⁸ and Managed Portfolio Shares.⁹ The Exchange does not currently list any of these product types. As a result, under today’s rules, the Exchange would not be required to disseminate an information circular for any exchange-traded product (“ETP”) it lists upon initial listing and trading.

Before the adoption of Rule 14.11(l) and Rule 6c-11 under the Investment Company Act of 1940 (“Rule 6c-11”), ETFs that now list under those rules typically listed under Rule 14.11(c) (Index Fund Shares) or Rule 14.11(i) (Managed Fund Shares). As noted, the Managed Fund Shares rules require the primary listing market to issue an information circular. In contrast, the final amendment adopting Rule 14.11(l) (ETF Shares)¹⁰ included no such requirement, even though both the initial application¹¹ and Amendment No. 1¹² did. Although the Commission’s approval order did not expressly address this change, the removal of the information circular requirement between the initial and final amendments indicates that the omission was intentional. This supports the view that the Commission does not consider information circulars necessary in all circumstances, even for primary listing markets. Consistent with this, Nasdaq

⁵ See Interpretation and Policy .07 to Exchange Rule 14.11(e)(3). The Exchange will evaluate the nature and complexity of the issue, and, if appropriate, distribute a circular to Members providing guidance regarding compliance responsibilities (including suitability recommendations and account approval) when handling transactions in Trust Certificates.

⁶ See Exchange Rule 14.11(e)(12)(B)(ii)(d).

⁷ See Exchange Rule 14.11(h)(F).

⁸ See Exchange Rule 14.11(m)(6).

⁹ See Exchange Rule 14.11(k)(6).

¹⁰ See Securities Exchange Act No. 88566 (April 6, 2020) 85 FR 20312 (April 10, 2020) (SR-CboeBZX-2019-097) (Notice of Filing of Amendment No. 2 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 2, To Adopt BZX Rule 14.11(l) Governing the Listing and Trading of Exchange-Traded Fund Shares).

¹¹ See Securities Exchange Act No. 87560 (November 18, 2019) 84 FR 64607 (SR-CboeBZX-2019-097) (Notice of Filing of a Proposed Rule Change To Adopt BZX Rule 14.11(l) To Permit the Listing and Trading of Exchange-Traded Fund Shares That Are Permitted To Operate in Reliance on Rule 6c-11 Under the Investment Company Act of 1940).

¹² See Securities Exchange Act No. 88208 (February 13, 2020) 85 FR 9834 (February 20, 2020) (SR-CboeBZX-2019-097) (Notice of Filing of Amendment No. 1 and Order Instituting Proceedings To Determine Whether To Approve or Disapprove a Proposed Rule Change, as Modified by Amendment No. 1, To Adopt BZX Rule 14.11(l) To Permit the Listing and Trading of Exchange-Traded Fund Shares That Are Permitted To Operate in Reliance on Rule 6c-11 Under the Investment Company Act of 1940).

Rule 5704 and NYSE Arca Rule 5.2-E(j)(8), which govern ETF Shares, also do not impose an information circular requirement on the primary listing exchange.

The Exchange further notes that the information typically included in an information circular is already publicly available. Fund and trust information generally mirrors disclosures in a registration statement, which is accessible through the Commission's EDGAR database. For context, Rule 14.11(j)(1) currently requires an information circular to include:

- (a) the special risks of trading the Derivative Security;
- (b) the Exchange Rules that will apply to the Derivative Security, including Rule 3.7;
- (c) information about the dissemination of the value of the underlying assets or indexes; and
- (d) the risk of trading during the Early Trading Session (2:30 a.m. – 8:00 a.m. Eastern Time), Pre-Opening Session (8:00 a.m. – 9:30 a.m. Eastern Time) and the After Hours Trading Session (4:00 p.m. – 8:00 p.m. Eastern Time) due to the lack of calculation or dissemination of the underlying index value, the Intraday Indicative Value (as defined in Rule 14.11(b)(3)(C)) or a similar value.

Information relating to the risks of trading the Derivative Security and the dissemination of underlying values (i.e., Exchange Rules 14.11(j)(1)(a) and (c)) is already included in publicly available registration statements. Accordingly, these disclosures do not need to be duplicated in an Exchange-issued circular.

Exchange Rule 14.11(j)(1)(b) simply reiterates that existing Exchange rules, including Rule 3.7 (Recommendations to Customers), apply to these securities. To enhance clarity, the Exchange proposes to amend Rule 14.11(j) to expressly reference Rule 3.7 rather than rely on an information circular.

Similarly, Rule 14.11(j)(1)(d) restates the risks of trading outside Regular Trading Hours already addressed in Rule 3.21 (Customer Disclosures), which requires Members to disclose

such risks before accepting customer orders for execution outside Regular Trading Hours. The Exchange likewise proposes to amend Rule 14.11(j) to specifically reference Rule 3.21.

For these reasons, the Exchange proposes to amend Rule 14.11(j) to eliminate the requirement to distribute an information circular before trading begins in each UTP Derivative Security. Based on the above, the Exchange proposes to renumber existing Rule 14.11(j)(2) through (5) as Rule 14.11(j)(1) through (4), respectively.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Act and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.¹³ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹⁴ 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)¹⁵ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange believes the proposed rule change removes impediments to and perfects the mechanism of a free and open market and a national market system because it eliminates an unnecessary regulatory requirement that does not provide meaningful investor protection benefits. Specifically, the proposal eliminates the requirement to distribute an information

¹³ 15 U.S.C. 78f(b).

¹⁴ 15 U.S.C. 78f(b)(5).

¹⁵ Id.

circular prior to the commencement of trading in each UTP Derivative Security, while ensuring that all relevant information remains available to market participants through other means.

The Exchange believes the existing information circular requirement under Rule 14.11(j)(1) is unnecessary because the information that would be included in such circulars is already publicly available or otherwise addressed through existing Exchange rules. As noted above, the information required under Rule 14.11(j)(1) includes: (a) special risks of trading the Derivative Security; (b) applicable Exchange Rules, including Rule 3.7; (c) dissemination of underlying asset or index values; and (d) risks of trading outside Regular Trading Hours. Information relating to the risks of trading Derivative Securities and the dissemination of underlying values (i.e., items (a) and (c)) is generally included in the fund or trust's registration statement, which is publicly available through the Commission's EDGAR database. Requiring the Exchange to duplicate this information in an information circular does not enhance investor protection, as the information is already accessible to market participants.

With respect to item (b), the Exchange proposes to amend Rule 14.11(j) to expressly reference Rule 3.7 (Recommendations to Customers), thereby providing clear notice that this rule applies to UTP Derivative Securities without the need for an information circular. Similarly, with respect to item (d), the Exchange proposes to expressly reference Rule 3.21 (Customer Disclosures), which already requires Members to disclose the risks of trading outside Regular Trading Hours before accepting customer orders for execution during such sessions. By incorporating these express references into Rule 14.11(j), the Exchange ensures that market participants are on notice of applicable requirements without the need for repetitive information circulars.

The Exchange believes the proposed rule change promotes consistency across markets and removes an undue burden on UTP trading venues. Under current Exchange rules, the Exchange is required to issue an information circular as a primary listing market only for certain product types: Trust Certificates, Selected Equity-linked Debt Securities, Other Securities,

Managed Fund Shares, and Managed Portfolio Shares. The Exchange does not currently list any of these products. Accordingly, under existing rules, the Exchange would not be required to disseminate an information circular for any exchange-traded product it lists upon initial listing and trading. However, as a UTP trading venue, the Exchange is required to issue an information circular for each UTP Derivative Security before trading begins. This creates an inconsistency whereby a UTP venue may be subject to a greater burden than the primary listing exchange.

The Exchange notes that the Commission's adoption of Rule 14.11(1) (ETF Shares) supports the view that information circulars are not necessary in all circumstances. Although earlier versions of the rule proposal included an information circular requirement for ETF Shares,¹⁶ the final amendment adopted by the Commission omitted this requirement.¹⁷ The removal of this requirement between the initial application and the final approved amendment suggests that the omission was intentional and that the Commission does not consider information circulars necessary in all cases, even for primary listing markets. Consistent with this, Nasdaq Rule 5704 and NYSE Arca Rule 5.2-E(j)(8), which govern ETF Shares, also do not impose an information circular requirement on the primary listing exchange.

By eliminating the information circular requirement for UTP Derivative Securities, the Exchange aligns its rules with the regulatory framework applicable to primary listing markets for ETF Shares and removes an unnecessary burden that does not provide commensurate investor protection benefits.

The Exchange believes the proposed rule change protects investors and the public interest because it ensures that all relevant information regarding UTP Derivative Securities remains available to market participants while eliminating duplicative and unnecessary regulatory requirements. As discussed above, the information that would otherwise be included in an information circular is already publicly available through registration statements filed with the

¹⁶ Supra notes 12 and 13.

¹⁷ Supra note 11.

Commission or is addressed through existing Exchange rules that will be expressly referenced in Rule 14.11(j). Accordingly, the proposal does not diminish the information available to investors or market participants.

Moreover, by expressly referencing Rules 3.7 and 3.21 in Rule 14.11(j), the Exchange provides clear notice of the regulatory requirements applicable to UTP Derivative Securities, thereby enhancing transparency and promoting compliance by Members.

For these reasons, the Exchange believes the proposed rule change is consistent with the requirements of Section 6(b)(5) of the Act.

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 rule change will impose any burden on intramarket competition because it applies uniformly to all Members trading UTP Derivative Securities on the Exchange.

The Exchange does not believe the proposed rule change will impose any burden on intermarket competition. To the contrary, the Exchange believes the proposal promotes intermarket competition by removing an unnecessary regulatory burden that currently applies to UTP trading venues. As discussed above, under current Exchange rules, the Exchange would not be required to disseminate an information circular for any exchange-traded product it lists upon initial listing and trading, as it does not currently list any of the product types for which an information circular is required. However, as a UTP trading venue, the Exchange is required to issue an information circular for each UTP Derivative Security before trading begins. This creates an inconsistency whereby a UTP venue is subject to a greater burden than the primary listing exchange for the same security.

By eliminating the information circular requirement for UTP Derivative Securities, the proposed rule change levels the playing field between primary listing markets and UTP trading

venues, thereby promoting competition. The proposal does not disadvantage any market participant or market center, as the information that would otherwise be included in an information circular remains publicly available through registration statements filed with the Commission or is addressed through existing Exchange rules that will be expressly referenced in Rule 14.11(j).

The Exchange notes that other national securities exchanges may propose similar rule changes to eliminate information circular requirements for UTP Derivative Securities. To the extent other exchanges choose to maintain such requirements, that would be a competitive choice that does not impose a burden on competition. The Exchange believes that reducing unnecessary regulatory requirements enhances its ability to compete for order flow in UTP Derivative Securities while maintaining appropriate investor protections.

For these reasons, the Exchange does not believe the proposed rule change will impose 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 comments on the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 45 days of the date of publication of this notice in the Federal Register or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Exchange consents, the Commission will:

- A. by order approve or disapprove such proposed rule change, or
- B. institute proceedings to determine whether the proposed rule change should be 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-2026-003 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-CboeBZX-2026-003. 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-2026-003 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.¹⁸

Sherry R. Haywood,

Assistant Secretary.

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