



[Release No. 34-105188; File No. SR-CBOE-2026-004]

Self-Regulatory Organizations; Cboe Exchange, Inc.; Order Instituting Proceedings to Determine Whether to Approve or Disapprove a Proposed Rule Change to Adopt VIX Future-Option Orders

April 9, 2026.

I. Introduction

On January 5, 2026, Cboe Exchange, Inc. (“Exchange” or “Cboe Options”) filed with the Securities and Exchange Commission (“Commission” or “SEC”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act” or the “Exchange Act”),¹ and Rule 19b-4 thereunder,² a proposal to amend its rules to permit future-option orders comprised of Cboe Volatility Index (“VIX”) options and VIX futures (“VX futures”) (“VIX future-option orders”). The proposed rule change was published for comment in the Federal Register on January 16, 2026.³ On February 19, 2026, pursuant to Section 19(b)(2) of the Exchange Act,⁴ the Commission designated a longer period within which to approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to disapprove the proposed rule change.⁵ The Commission received no comments regarding the proposed rule change. This order institutes proceedings under Section 19(b)(2)(B) of the Exchange Act⁶ to determine whether to approve or disapprove the proposed rule change.

II. Description of the Proposed Rule Change

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 104588 (Jan. 13, 2026), 91 FR 2209 (“Notice”).

⁴ 15 U.S.C. 78s(b)(2).

⁵ See Securities Exchange Act Release No. 104865 (Feb. 19, 2026), 91 FR 8928 (Feb. 24, 2026). The Commission designated April 16, 2026, as the date by which it shall approve, disapprove, or institute proceedings to determine whether to disapprove the proposed rule change.

⁶ 15 U.S.C. 78s(b)(2)(B).

As described more fully in the Notice,⁷ the Exchange proposes to amend its rules to permit VIX future-option orders. VIX future-option orders are comprised of VIX options, which trade on Cboe, and VX futures, which trade on Cboe Futures Exchange, LLC (“CFE”).⁸ The Exchange states that, currently, investors seeking to execute hedging or investment strategies involving VIX options and VX futures must enter into separate VIX option and VX futures transactions on Cboe and CFE, respectively, a process that creates a risk that only one of the orders will execute, which could leave an investor with an unhedged position, as well as a risk that market conditions may change during the time that it takes to execute both transactions, which could make the package execute in an unfavorable manner.⁹ The Exchange states that the proposal would adopt a mechanism to facilitate the execution of these cross-product transactions in a simple, efficient process that reduces these execution and price risks.¹⁰ The Exchange states that the proposal will allow the entire package to be priced together and will result in an execution only if both the options and futures components are able to trade.¹¹

Under the proposal, when a User that is also a member of CFE submits a VIX future-option order to Cboe, Cboe will communicate the VX future component of the order to CFE on behalf of the User.¹² If the User is not also a member of CFE, the User must designate a specific futures commission merchant (“FCM”) or introducing broker (“IB”) with which the User has entered into an agreement pursuant to proposed Exchange Rule 5.33, Interpretation and Policy .05, that has connectivity to electronically communicate the VX futures component of the order

⁷ See supra note 3.

⁸ See Notice, 91 FR at 2209.

⁹ See id. at 2209, 2213.

¹⁰ See id. at 2209.

¹¹ See id. at 2213.

¹² See id. at 2210. A “User” is any Trading Permit Holder or Sponsored User who is authorized to obtain access to the System pursuant to Exchange Rule 5.5. See Cboe Rule 1.1 (definition of “User”). The “System” is the Exchange’s hybrid trading platform that integrates electronic and open outcry trading of option contracts on the Exchange, and includes any connectivity to the foregoing trading platform that is administered by or on behalf of the Exchange, such as a communications hub. See Cboe Rule 1.1 (definition of “System”).

to CFE.¹³ If a VIX future-option order can execute upon entry, following a Complex Order Auction, or after evaluation while resting in the Complex Order Book pursuant to Exchange Rule 5.33(i), the System executes the option component(s) of the order, but does not immediately send the User a trade execution report, and automatically communicates the VX future component(s) to CFE or the designated FCM/IB, as applicable, for execution on CFE.¹⁴ If the System receives an execution report for the VX future component(s) from CFE or the designated FCM/IB, as applicable, the Exchange sends the User the trade execution report for the VIX future-option order, including the execution information for the VX future and VIX option components.¹⁵ If the System receives a report from CFE or the designated FCM/IB, as applicable, that the VX future component(s) cannot execute, the Exchange nullifies the VIX option component(s) trade and notifies the User of the reason for the nullification.¹⁶

Under the proposal, the price(s) of the VX future leg(s) of a VIX future-option order are set upon order entry.¹⁷ The Exchange states that price competition for a VIX future-option order exposed on the Exchange will occur with respect to the option leg(s), and that the package execution price will reflect the net price of the option leg(s) and the specified price(s) of the future leg(s).¹⁸

The Exchange states that activity related to the execution of the options components of VIX future-option orders will be subject to Commission jurisdiction, and activity related to the execution of the futures components of VIX future-option orders will be subject to the jurisdiction of the Commodity Futures Trading Commission (“CFTC”).¹⁹ The Exchange further

¹³ See Notice, 91 FR at 2210.

¹⁴ See id. at 2211.

¹⁵ See id.

¹⁶ See id.

¹⁷ See id.

¹⁸ See id.

¹⁹ See id. at 2212. The Exchange states that on September 9, 2025, CFE submitted to the CFTC a rule certification filing to adopt rules regarding VIX future-option orders, which filing became effective ten business days following such filing date. The Exchange states that CFE stated in its filing that it would not

states that each of the Exchange and CFE will regulate conduct relating to VIX future-option orders and trades with respect to compliance with its rules, including bringing disciplinary actions for violations of its rules. The Exchange states that the Exchange and CFE have an existing information sharing agreement that encompasses information relating to VIX future-option orders and trades, and that this agreement would allow for the sharing of information between the Exchange and CFE to permit the Exchange and CFE to have access to all order, trade, regulatory, and other data relating to these orders and trades.²⁰ In addition, the Exchange states that its current rules prohibiting market manipulation and fraudulent, noncompetitive, and disruptive trading practices will apply to VIX future-option orders. The Exchange states that the Cboe Regulatory Division will incorporate information it receives from CFE into its surveillance procedures to monitor trading of VIX future-option orders, including to detect any manipulative trading activity.²¹

III. Proceedings to Determine Whether to Approve or Disapprove SR-CBOE-2026-004 and Grounds for Disapproval under Consideration

The Commission is instituting proceedings pursuant to Section 19(b)(2)(B) of the Exchange Act²² to determine whether the proposed rule change should be approved or disapproved. Institution of such proceedings is appropriate at this time in view of the legal and policy issues raised by the proposed rule change. Institution of proceedings does not indicate that the Commission has reached any conclusions with respect to any of the issues involved. Rather, as described below, the Commission seeks and encourages interested persons to provide comments on the proposed rule change to inform the Commission's analysis of whether to approve or disapprove the proposal.

implement the functionality until the Exchange amended its rules to permit VIX future-option orders. See Cboe Futures Exchange, LLC Rule Certification Submission Number CFE-2025-021 (September 9, 2025), available at <https://www.cftc.gov/sites/default/files/filings/orgrules/25/09/rules09092530095.pdf>. See *id.* at footnote 27.

²⁰ See Notice, 91 FR at 2212.

²¹ See *id.* at 2213.

²² 15 U.S.C. 78s(b)(2)(B).

Pursuant to Section 19(b)(2)(B) of the Exchange Act,²³ the Commission is providing notice of the grounds for disapproval under consideration. The Commission is instituting proceedings to allow for additional analysis of, and input from commenters with respect to, the consistency of the proposal with Section 6(b)(5) of the Act,²⁴ which requires, among other things, that the rules of a national securities exchange be designed to prevent fraudulent and manipulative acts and practices, promote just and equitable principles of trade, protect investors and the public interest; and not be designed to regulate by virtue of any authority conferred by the Exchange Act matters not related to the purposes of the Exchange Act or the administration of the exchange.

The Commission asks that commenters address the sufficiency of the Exchange's statements in support of the proposal, which are set forth in the Notice,²⁵ in addition to any other comments they may wish to submit about the proposed rule change. In particular, the Commission seeks comment on whether the proposal to permit VIX future-option orders includes sufficient analysis to support a conclusion that the proposal is consistent with the requirements of Section 6(b)(5) of the Act,²⁶ including the requirements that the rules of a national securities exchange be designed to prevent fraudulent and manipulative acts and practices, promote just and equitable principles of trade, protect investors and the public interest; and not be designed to regulate by virtue of any authority conferred by the Exchange Act matters not related to the purposes of the Exchange Act or the administration of the exchange.

IV. Procedure: Request for Written Comments

The Commission requests that interested persons provide written submissions of their data, views, and arguments with respect to the issues identified above, as well as any other concerns they may have with the proposal. In particular, the Commission invites the written

²³ Id.

²⁴ 15 U.S.C. 78f(b)(5).

²⁵ See supra note 3.

²⁶ 15 U.S.C. 78f(b)(5).

views of interested persons concerning whether the proposed rule change is consistent with the Act, and the rules and regulations thereunder. Although there do not appear to be any issues relevant to approval or disapproval that would be facilitated by an oral presentation of data, views, and arguments, the Commission will consider, pursuant to Rule 19b-4 under the Act,²⁷ any request for an opportunity to make an oral presentation.²⁸

Interested persons are invited to submit written data, views, and arguments regarding whether the proposed rule change should be approved or disapproved by [INSERT DATE 21 DAYS AFTER PUBLICATION IN THE FEDERAL REGISTER]. Any person who wishes to file a rebuttal to any other person's submission must file that rebuttal by [INSERT DATE 35 DAYS AFTER PUBLICATION IN THE FEDERAL REGISTER].

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 e-mail to rule-comments@sec.gov. Please include File Number SR-CBOE-2026-004 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-2026-004. 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

²⁷ 17 CFR 240.19b-4.

²⁸ Section 19(b)(2) of the Act, as amended by the Securities Acts Amendments of 1975, Pub. L. 94-29 (June 4, 1975), grants to the Commission flexibility to determine what type of proceeding – either oral or notice and opportunity for written comments – is appropriate for consideration of a particular proposal by a self-regulatory organization. See Securities Acts Amendments of 1975, Senate Comm. on Banking, Housing & Urban Affairs, S. Rep. No. 75, 94th Cong., 1st Sess. 30 (1975).

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-2026-004 and should be submitted by [INSERT DATE 21 DAYS AFTER THE DATE OF PUBLICATION IN THE FEDERAL REGISTER]. Rebuttal comments should be submitted by [INSERT DATE 35 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁹

Sherry R. Haywood,

Assistant Secretary.

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²⁹ 17 CFR 200.30-3(a)(57).