



SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105280; File No. SR-CboeEDGX-2026-023]

Self-Regulatory Organizations; Cboe EDGX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend Rule 21.17 to Adopt a Wide Market Protection Mechanism Designed to Reduce the Risk of Orders Executing at Extreme or Adverse Prices When the National Best Bid and Offer (“NBBO”) is Determined to be Wide

April 21, 2026.

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 April 10, 2026, Cboe EDGX Exchange, Inc. (“Exchange” or “EDGX”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

Cboe EDGX Exchange, Inc. (the “Exchange” or “EDGX”) proposes to amend Rule 21.17 to adopt a wide market protection mechanism designed to reduce the risk of orders executing at extreme or adverse prices when the national best bid and offer (“NBBO”) is determined to be wide. 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.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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 this rule filing is to amend Rule 21.17(a), Additional Price Protection Mechanisms and Risk Controls (Simple Orders), to adopt a wide market protection mechanism designed to reduce the risk of orders executing at extreme or adverse prices when the NBBO is determined to be wide.³ The Exchange notes that its affiliated exchange, Cboe Exchange, Inc. (hereinafter “C1” or Cboe Exchange”), recently implemented rule changes adopting a substantially similar wide market protection mechanism.⁴ The proposed wide market protection mechanism, similar to that implemented by Cboe Exchange, will leverage the existing iterative drill-through protection mechanism for certain orders when the NBBO is wide and will initiate a drill-through pause on applicable inbound market or limit orders or elected Stop (Stop-Loss)⁵ or

³ The Exchange notes it currently has a Market Order NBBO Width Protection Mechanism set forth in Rule 21.17(a)(1); the proposed rule change does not result in changes to the Market Order NBBO Width Protection Mechanism, which is infrequently triggered. In general, the current Market Order NBBO Width Protection Mechanism applies when the NBBO is significantly wider than will be considered under the proposed wide market protection mechanism. Further, the Market Order NBBO Width Protection is applicable only to market orders and does not apply to Stop (Stop-Loss) orders. The proposed wide market protection mechanism is applicable to market and limit orders (subject to certain exceptions), and is intended to “catch” more orders. Unlike the Market Order NBBO Width Protection Mechanism, which cancels orders too far outside the NBBO, the proposed mechanism will trigger the drill-through process for applicable orders and thus provide additional execution opportunities.

⁴ See Securities Exchange Act Release No. 34-104245 (November 24, 2025), 90 FR 54806 (November 28, 2025) (SR-CBOE-2025-081) (amending Cboe Exchange Rule 5.34 to adopt a wide market protection mechanism). See also Securities Exchange Act Release No. 34-104435 (December 17, 2025), 90 FR 59890 (December 22, 2025) (SR-CBOE-2025-091) (amending Cboe Exchange Rule 5.34 to exclude all M and N capacity orders from the wide market protection mechanism).

⁵ An order may include a Stop Price which will convert the order into a Market Order when the Stop Price is

Stop-Limit⁶ orders which would either execute or post to the EDGX Book⁷ at potentially extreme prices.

Drill-Through Price protection is currently described in Exchange Rule 21.17(a)(4). Under Rule 21.17(a)(4)(A), if a buy (sell) order enters the EDGX Book at the conclusion of the opening auction process or would execute or post to the EDGX Book when it enters the EDGX Book, the System⁸ executes the order up (down) to a buffer amount (the Exchange determines the buffer amount on a class and premium basis) above (below) the offer (bid) limit of the Opening Collar⁹ or the National Best Offer (“NBO”) (National Best Bid (“NBB”)) that existed at the time of order entry, respectively (the “Drill-Through Price”).¹⁰

Rule 21.17(a)(4)(C) establishes an iterative drill-through process, whereby orders will rest in the EDGX Book for multiple time periods and at more aggressive displayed prices during each time period.¹¹ Specifically, for a market order with a Time-in-Force of Day or a limit order (or unexecuted portion) with a Time-in-Force of Day, Good-til-Cancelled (“GTC”), or Good-til-Date (“GTD”), the System enters the order in the EDGX Book with a displayed price equal to the Drill-Through Price. The order (or unexecuted portion) will rest in the EDGX Book at the

triggered. An order to buy converts to a Market Order when the consolidated last sale in the security occurs at, or above, the specified Stop Price. An order to sell converts into a Market Order when the consolidated last sale in the security occurs at, or below, the specified Stop Price. *See* Rule 11.8(a)(1) (definition of “Stop Price” order).

⁶ An order may contain a Stop Limit Price which will convert to a Limit Order once the Stop Limit Price is triggered. A Limit Order to buy with a Stop Limit Price becomes eligible for execution by the System when the consolidated last sale in the security occurs at, or above, the specified Stop Price. A Limit Order to sell with a Stop Limit Price becomes eligible for execution by the System when the consolidated last sale in the security occurs at, or below, the specified Stop Limit Price. *See* Rule 11.8(b)(1) (definition of “Stop-Limit Price” order).

⁷ “EDGX Book” shall mean the System’s electronic file of orders. *See* Rule 1.5(d) (definition of “EDGX Book”).

⁸ “System” means the electronic communications and trading facility designated by the Board through which securities orders of Users are consolidated for ranking, execution and, when applicable, routing away. *See* Rule 1.5(cc) (definition of, “System”).

⁹ *See* Rule 21.7(a) for the definition of Opening Collars.

¹⁰ *See* Rule 21.17(a)(4)(A).

¹¹ The Exchange will announce to Members the buffer amount and the length of the time periods in accordance with Rule 16.3. The Exchange notes that each time period will be the same length (as designated by the Exchange), and the buffer amount applied for each time period will be the same.

Drill-Through Price for the duration of consecutive time periods (the Exchange determines on a class-by-class basis the length of the time period in milliseconds, which may not exceed three seconds) (each time period is referred to as an “iteration”).¹² Following the end of each period, the System adds (if a buy order) or subtracts (if a sell order) one buffer amount (the Exchange determines the buffer amount on a class-by-class basis) to the Drill-Through Price displayed during the immediately preceding period (each new price becomes the “Drill-Through Price”).¹³ The order (or unexecuted portion) rests in the EDGX Book at that new Drill-Through Price for the duration of the subsequent period. The System applies a timestamp to the order (or unexecuted portion) based on the time it enters or is re-priced in the EDGX Book for priority reasons. The order continues through this iterative process until the earliest of the following to occur: (a) the order fully executes; (b) the User¹⁴ cancels the order; or (c) the buy (sell) order’s limit price equals or is less (greater) than the Drill-Through Price at any time during application of the drill-through mechanism, in which case the order rests in the EDGX Book at its limit price, subject to a User’s instructions.

Currently, there are common scenarios in which certain orders are trading at prices that are, for reasons described below, artificially wide. For example, certain trading strategies result in a significant number of simple Stop (Stop-Loss) and Stop-Limit orders resting in the EDGX Book and then being triggered simultaneously by a common event. The receipt of large quantities of market and limit orders on the same side of a series results in rapid removal of liquidity without opportunity for replenishment (and potential related triggers of risk protections). This results in potentially extreme or adverse execution prices as risk is re-evaluated by Market-Makers and quotes are replenished, typically within seconds of the start of the triggering event. Additionally, the Exchange has observed an increase in resting Stop (Stop-

¹² See Rule 21.17(a)(4)(C).

¹³ See Rule 21.17(a)(4)(C).

¹⁴ The term “User” shall mean any Member or Sponsored Participant who is authorized to obtain access to the System pursuant to Rule 11.3. See Rule 1.5(ee) (definition of “User”).

Loss) or Stop-Limit orders that are simultaneously triggered around the opening of the relevant trading session and trading at extremely wide price levels, up to Obvious Error prices. Similarly, Stop (Stop-Loss) and Stop-Limit orders may be triggered on a trade (rather than an NBBO update) that exhausts liquidity, causing the triggered order(s) to execute at the next available bid/offer, which may be at an extreme level, rather than affording the order the benefit of Drill-Through Price protection by displaying the order at the price of the triggering trade and iterating from there.

The Exchange now proposes rule changes designed to prevent trades at extreme or adverse price levels in such scenarios, when quotes are wide or when orders are removing liquidity in rapid succession. The Exchange proposes to amend Rule 21.17 to add a wide market protection mechanism that will leverage the existing iterative drill-through protection mechanism for certain orders when the NBBO is considered “wide” and will initiate a drill-through pause on applicable near-marketable inbound market or limit orders or elected Stop (Stop-Loss) or Stop-Limit orders which would either execute or post to the EDGX Book at potentially extreme or adverse prices.

Specifically, the Exchange proposes to add new Rule 21.17(a)(8) to establish a wide market protection mechanism. Under proposed Rule 21.17(a)(8)(A), if (i) when the NBBO is “wide,” the System receives a buy (sell) order with a price that is more than a buffer amount above (below) the NBB (NBO) or (ii) a Stop (Stop-Loss) or Stop-Limit buy (sell) order is triggered and is priced more than a buffer amount above (below) the NBB (NBO) and the NBBO after the triggering event is “wide,” the order enters the EDGX Book and is displayed at the Benchmark Price for an Exchange determined-amount of time (this time period will be considered the first drill-through iteration pursuant to Rule 21.17(a)(4)). If the order does not execute or there is any remaining size of the order following a partial execution, the order will continue the drill-through process pursuant to Rule 21.17(a)(4).

As set forth in proposed Rule 21.17(a)(8)(A), for purposes of the proposed subparagraph

(6), the NBBO is “wide” if there is no NBO or the width of the NBBO for the series is equal to or greater than an amount the Exchange determines on a class-by-class basis and which is applied based on the NBB. Further, for a buy (sell) order, the Benchmark Price is the least aggressive price of (1) the NBB (NBO) plus (minus) a buffer amount determined by the Exchange on a class and premium basis;¹⁵ (2) the last trade price, if greater (less) than or equal to the NBB (NBO);¹⁶ or (3) the midpoint of the then-current NBBO. Consider the below examples.

Example #1, demonstrating eligibility of a Stop-Limit order for wide market protection

In this example, a buy Stop-Limit order is triggered, the NBBO after the triggering event is determined to be wide, and the limit price is more than a buffer amount above the NBB. Under the proposed rules, the order will be paused at the Benchmark Price and begin drill-through iteration. Assume for purposes of this example, the market will be considered wide pursuant to proposed Rule 21.17(a)(8)(A)(i) if the width of the NBBO for the series is equal to or greater than \$1.50. Further assume for this example, the buffer amount to determine limit order eligibility based on price is 80% of the width of NBBO.

Order 1: Stop-Limit Buy 5 contracts @ 3.33, Stop Price = \$2.30

MM1 Quote: 5 @ 1.95 x 5 @ 3.65

MM2 Quote: 5 @ 1.95 x 5 @ 2.30 (NBBO, not wide)

Order 2: Buy 5 @ 2.30

Order 2 trades with MM2 Quote at 2.30; as a result, Order 1 is elected.

The resulting NBBO after the triggering event is 1.95 x 3.65 (i.e., NBBO width equal to \$1.70), which is considered wide, and Order 1 is triggered with a limit price of \$3.33, which is greater than the Exchange-determined buffer amount above the NBB (i.e., NBB of 1.95 + (NBBO width of 1.70 x 0.80 buffer) = 3.31). Thus, Order 1 is subject to the wide market

¹⁵ In a no-bid scenario for buy orders, the NBB will be considered as zero and the Benchmark Price will be calculated accordingly. In a no-offer scenario for sell orders, the NBO will not be used; the Benchmark Price will use the less aggressive of the last trade price or the NBB plus the buffer amount determined by the Exchange on a class-by-class basis.

¹⁶ If last trade price is worse than the NBO (NBB) it will not be used as a possible Benchmark Price.

protection mechanism.

Example #2, demonstrating determination of Benchmark Price

In this example, a buy Stop (Stop-Loss) order is triggered by a quote, the NBBO after the triggering event is determined to be wide, and the price is more than a buffer amount above the NBB. Under the proposed rules, the order will be paused at the Benchmark Price and begin drill-through iteration. Assume for purposes of this example, the market will be considered wide pursuant to proposed Rule 21.17(a)(8)(A)(i) if the width of the NBBO for the series is equal to or greater than \$1.50. Further assume for this example, the buffer amount to determine the order eligibility based on price is 80% of the width of NBBO and the buffer amount used in determining Benchmark Price is 0.75.

Order 1: Stop (Stop-Loss) Buy 5 @ 3.40, Stop Price = \$2.00

MM1 Quote: 5 @ 1.95 x 5 @ 3.75

MM2 Quote 5 @ 1.95 x 5 @ 2.30 (NBBO, not wide)

Order 2: Buy 5 @ 2.30

Order 2 trades with MM2 Quote at 2.30; as a result, Order 1 is elected.

The resulting NBBO after the triggering event is 1.95 x 3.75 (i.e., NBBO width equal to \$1.80), which is considered wide, and Order 1 is triggered with a price of \$3.40, which is greater than the Exchange-determined buffer amount above the NBB (i.e., NBB of 1.95 + (NBBO width of 1.80 x 0.80 buffer) = 3.39). Thus, Order 1 is subject to the wide market protection mechanism. The Benchmark Price is 2.30, determined as the least aggressive of:

- The NBB (1.95) plus a buffer amount determined by the Exchange on a class and premium basis (0.75): 2.70
- Last Trade Price: 2.30
- The midpoint of the then-current NBBO: 2.85

Thus, executions of Order 1 up to \$2.30 will be considered the initial drill-through iteration, as the order becomes subject to the Drill-Through Price protection mechanism under

Rule 21.17(a)(4)(C).

The Exchange proposes to add Rule 21.17(a)(8)(B) to specify that the wide market protection mechanism applies during all trading sessions, except for a pre-determined amount of time prior to the close of the Regular Trading Hours (“RTH”)¹⁷ trading session (such time will be determined by the Exchange).¹⁸ This provides a final opportunity for market participants to utilize Stop (Stop-Loss) and Stop-Limit orders to exit positions if desired at the end of the trading session, in order to avoid unintended overnight risk.¹⁹

The Exchange proposes to add Rule 21.17(a)(8)(C), which states that if an order would initiate the wide market protection while the drill-through process in the applicable series is in progress pursuant to Rule 21.17(a)(4), then the System does not initiate the wide market protection and instead the order would join the ongoing drill-through as set forth in Rule 21.17(a)(4)(C)(iv). The Exchange also proposes to add Rule 21.17(a)(8)(D) to exclude bulk messages, Intermarket Sweep Orders (“ISOs”), Immediate-or-Cancel orders (“IOCs”), and M and N capacity orders from the wide market protection mechanism; and to note that the Exchange may apply the wide market protection on a class-by-class basis.

The Exchange also proposes to amend Rule 21.17(a)(5)(A)(ii) to exclude from the current protections for market orders in no-bid series certain orders that would be otherwise subject to wide market protection under the proposed rule changes. Currently, under Rule 21.17(a)(5)(A)(ii), if the System receives a sell market order in a series after it is open for trading with an NBB of zero, and the NBO in the series is greater than \$0.50, the System cancels or rejects the market order, except if a drill-through process (described in subparagraph (a)(4)) is in progress for sell orders in the series and the sell market order would be subject to the drill-

¹⁷ “Regular Trading Hours” means the time between 9:30 a.m. and 4:00 p.m. Eastern Time. See Rule 1.5(y).

¹⁸ During this time, the drill-through process will not be initiated by the wide market protection mechanism but may still apply pursuant to Rule 21.17(a)(4). The Exchange further notes that GTH trading is not currently enabled.

¹⁹ The Exchange notes that Rule 20.6(c), Obvious Errors, will continue to apply as it does today; there are no changes to the Obvious Error rules as a result of the proposed rule change.

through protection, then the order joins the ongoing drill-through process in the then-current iteration and at the then-current Drill-Through Price, regardless of NBBO. The Exchange proposes to amend Rule 21.17(a)(5)(A)(ii) to note that in the event the System receives a sell market order in a series after it is open for trading with an NBB of zero and the NBO in the series is greater than \$0.50, if the order is subject to wide market protection pursuant to proposed subparagraph (a)(8), then the order enters the EDGX Book and is displayed at the Benchmark Price for an Exchange determined-amount of time (this time period will be considered the first drill-through iteration pursuant to subparagraph (a)(4)), with any remaining size continuing the drill-through process pursuant to subparagraph (a)(4).

Finally, the Exchange proposes to amend Rule 21.17(a)(5)(B) to exclude from the current protections for market orders in no-offer series certain orders that would be otherwise subject to wide market protection under the proposed rule changes or drill-through protections pursuant to current Rule 21.17(a)(4). Currently under Rule 21.17(a)(5)(B), if the System receives a buy market order in a series after it is open for trading with an NBO of zero, the System cancels or rejects the market order. The Exchange proposes to amend Rule 21.17(a)(5)(B) to note that in the event the System receives a buy market order in a series after it is open for trading with an NBO of zero, if the order is subject to wide market protection pursuant to proposed subparagraph (a)(5), then the order enters the EDGX Book and is displayed at the Benchmark Price for an Exchange determined-amount of time (this time period will be considered the first drill-through iteration pursuant to subparagraph (a)(4)), with any remaining size continuing the drill-through process pursuant to subparagraph (a)(4); or if a drill-through process (described in current subparagraph (a)(4)) is in progress for buy orders in the series and the buy market order would be subject to the drill-through protection, then the order joins the ongoing drill-through process in the then-current iteration and at the then-current Drill-Through Price, regardless of NBBO.

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.²⁰ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)²¹ 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)²² 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 to implement a wide market protection mechanism will remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, protect investors, because it will provide applicable orders with additional and consistent execution opportunities and price protections. As noted above, the wide market protection mechanism is effectively an extension of the Exchange’s current Drill-Through Price protection, of which the primary purpose is to prevent orders from executing at prices “too far away” from the market when they enter the EDGX Book for potential execution. The Exchange believes the proposed rule change is consistent with this purpose, because Users who submit applicable orders or have orders triggered in markets that are wider than expected, possibly due to wide quotes or orders removing liquidity in rapid succession, will receive price protection against execution at potentially extreme or adverse prices and additional execution opportunities.

²⁰ 15 U.S.C. 78f(b).

²¹ 15 U.S.C. 78f(b)(5).

²² Id.

Further, the proposed rule change to leverage the existing iterative drill-through protection mechanism for certain orders when the NBBO is considered “wide” allows these orders to receive the same level of price protection as other orders otherwise subject to the drill-through process. The proposed rule change will allow orders in wide markets additional execution opportunities while continuing to protect them against execution at potentially extreme prices, by providing the opportunity for execution at reasonable prices by allowing for liquidity replenishment that may result in more aggressive prices, especially during times when liquidity may require additional time to replenish, such as near the beginning of a trading session.

The Exchange believes the proposal will enhance risk protections, the individual firm benefits of which flow downstream to counterparties both at the Exchange and at other options exchanges, which increases systemic protections as well. The Exchange believes enhancing risk protections will allow Users to enter orders, including Stop (Stop-Loss) and Stop-Limit orders, and quotes with further reduced fear of inadvertent exposure to excessive risk, which will benefit investors through increased exposure to liquidity for the execution of their orders.

The Exchange also believes the proposed changes regarding the application of the wide market protection mechanism during Exchange trading sessions will protect investors, as the proposed application allows market participants a final opportunity to utilize Stop (Stop-Loss) and Stop-Limit orders to exit positions if desired at the end of the relevant trading session, in order to avoid unintended overnight risk. Further, the proposed changes add transparency to the rules regarding the wide market protection functionality and provide greater certainty as to the application of the process.

Additionally, the Exchange believes changes to specifically exclude bulk messages, ISOs, and IOCs from the wide market protection mechanism (similar to the Drill-Through Price protection mechanism) are reasonable and appropriate, given the iterative pricing process would be inconsistent with the orders instruction (and thus the user’s intent). The proposed change to exclude all M and N capacity orders is designed to ensure consistency across all potential types

of Market-Maker orders. The Exchange believes the proposed change to exclude all M and N capacity orders from the wide market protection is reasonable, as Market-Makers are positioned to observe and subsequently address wide market scenarios, by tightening the NBBO with an order or quote.

The Exchange also believes the proposed change to clarify that the System will not initiate the wide market protection while a drill-through process in the applicable series is in progress is reasonable, as it will bring transparency and clarity to the rulebook regarding how the wide market protection mechanism interacts with the Drill-Through Price protection mechanism, to the benefit of investors. This proposed change is consistent with current drill-through functionality, where incoming orders that enter the EDGX Book while the drill-through is in progress and that would be subject to the drill-through protection join the on-going drill-through process.²³

Additionally, the Exchange believes changes to specifically exclude from the current protections for market orders in no-bid (offer) series certain orders that would otherwise be subject to wide market protection will remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, protect investors. Specifically, the Exchange believes the change to exclude from the current protections for market orders in no-bid (offer) series certain orders that would otherwise be subject to wide market protection may allow opportunity for execution than if they were immediately canceled or rejected. This proposed rule change may increase execution opportunities for Users that submit sell market orders with an NBB of zero when the NBO in the series is greater than \$0.50 (in the case of market orders in no-bid series protections) or buy market orders with an NBO of zero while still providing protection against executions at potentially erroneous prices. Similarly, the Exchange believes the change to allow buy market orders received by the System when the

²³ See Rule 21.17(a)(4)(C)(iv).

NBO is zero to be subject to the drill-through process is reasonable, as it may allow opportunity for execution of such orders, rather than if they were immediately canceled or rejected. This change aligns market order in no-bid (offer) series protection for Users that submit sell market orders with an NBB of zero when the NBO in the series is greater than \$0.50 (in the case of market orders in no-bid series protections) with how the Exchange will handle buy market orders with an NBO of zero.

Finally, the Exchange believes the proposed change to apply the wide market protection on a class-by-class basis is reasonable, as classes may have different trading characteristics or may be affected differently by market conditions. The proposal will provide the Exchange with flexibility to apply wide market protections in a manner which accounts for material differences across option classes, thereby enhancing investor protection while minimizing unnecessary market disruption. Further, the Exchange believes the proposed changes are not unfairly discriminatory, as wide market protection applies uniformly to all market participants within each class. This approach is consistent with the Exchange's existing practice of applying certain other order and quote price protection and risk controls, such as the limit order fat finger check for simple orders,²⁴ on a class-by-class basis where product characteristics warrant differential treatment in regard to risk protections.

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 that the proposed rule change will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because the wide market protection functionality will apply to all applicable orders in a class in the same manner. Additionally, it will provide the same price protection and execution opportunities to

²⁴ See Rule 21.17(a)(2).

relevant orders that are currently provided to orders that are subject to the Drill-Through Price protection process, as the wide market protection mechanism is effectively an extension of the Exchange's current Drill-Through Price protection. As noted above, the Exchange believes it is not unfairly discriminatory to apply this protection on a class-by-class basis, as wide market protection applies uniformly to all market participants within each class. This approach is consistent with the Exchange's existing practice of applying certain other order and quote price protection and risk controls, such as the limit order fat finger check for simple orders,²⁵ on a class-by-class basis where product characteristics warrant differential treatment in regard to risk protections.

The Exchange 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 the proposed rule change relates specifically to price protections offered on the Exchange and how the System handles orders as part of these price protection mechanisms. The proposed wide market protection mechanism expands the current Drill-Through Price protection mechanism and provides relevant orders with improved protection against execution at potentially extreme or adverse prices through Drill-Through Price protection.

The Exchange believes the proposed rule change would ultimately provide all market participants with additional execution opportunities when appropriate while providing protection from extreme or adverse execution. The Exchange believes the proposal will enhance risk protections, the individual firm benefits of which flow downstream to counterparties both at the Exchange and at other options exchanges, which increases systemic protections as well. The Exchange believes enhancing risk protections will allow Users to enter orders, including Stop (Stop-Loss) and Stop-Limit orders, and quotes with further reduced fear of inadvertent exposure to excessive risk, which will benefit investors through increased exposure to liquidity for the

²⁵ See Rule 21.17(a)(2).

execution of their orders. Without adequate risk management tools, Trading Permit Holders could reduce the amount of order flow and liquidity they provide. Such actions may undermine the quality of the markets available to customers and other market participants. Accordingly, the proposed rule change is designed to encourage Trading Permit Holders to submit additional order flow and liquidity to the Exchange. The proposed change may similarly provide additional execution opportunities, which further benefits liquidity, especially during times when liquidity may require additional time to replenish, such as near the beginning of a trading session. Additionally, as discussed above, the Exchange's affiliated exchange, Cboe Exchange, recently implemented rule changes adopting a substantially similar wide market protection mechanism.²⁶ Thus, the proposed rule change will also align the rules of the Exchange with that of its affiliated exchange, Cboe Exchange.

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

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act²⁷ and Rule 19b-4(f)(6)²⁸ thereunder. Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act²⁹ and Rule 19b-4(f)(6)³⁰ thereunder.

²⁶ See Securities Exchange Act Release No. 34-104245 (November 24, 2025), 90 FR 54806 (November 28, 2025) (SR-CBOE-2025-081). See also Securities Exchange Act Release No. 34-104435 (December 17, 2025), 90 FR 59890 (December 22, 2025) (SR-CBOE-2025-091).

²⁷ 15 U.S.C. 78s(b)(3)(A).

²⁸ 17 CFR 240.19b-4(f)(6).

²⁹ 15 U.S.C. 78s(b)(3)(A).

³⁰ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments:

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-CboeEDGX-2026-023 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-CboeEDGX-2026-023. 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

change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

entirely from publication submitted material that is obscene or subject to copyright protection.

All submissions should refer to file number SR-CboeEDGX-2026-023 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.³¹

Sherry R. Haywood,

Assistant Secretary.

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³¹ 17 CFR 200.30-3(a)(12).