

Required fields are shown with yellow backgrounds and asterisks.

Filing by Cboe BZX Exchange, Inc.
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial *	Amendment *	Withdrawal	Section 19(b)(2) *	Section 19(b)(3)(A) *	Section 19(b)(3)(B) *
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
			Rule		
Pilot	Extension of Time Period for Commission Action *	Date Expires *	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>	<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input checked="" type="checkbox"/> 19b-4(f)(6)	

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 806(e)(1) *	Section 806(e)(2) *
<input type="checkbox"/>	<input type="checkbox"/>
	Section 3C(b)(2) *
	<input type="checkbox"/>

Exhibit 2 Sent As Paper Document	Exhibit 3 Sent As Paper Document
<input type="checkbox"/>	<input type="checkbox"/>

Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

The Exchange proposes to remove its Partial Post Only at Limit Order type.

Contact Information

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name * Rebecca	Last Name * Tenuta
Title * Counsel	
E-mail * rtenuta@cboe.com	
Telephone * (312) 786-7068	Fax

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

(Title *)

Date 11/21/2019	Counsel
By Rebecca Tenuta	
(Name *)	

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFF website.

Form 19b-4 Information *

Add Remove View

The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change *

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies *

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications

Add Remove View

Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit 3 - Form, Report, or Questionnaire

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Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit 4 - Marked Copies

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

Add Remove View

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

Partial Amendment

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

Item 1. Text of the Proposed Rule Change

(a) Cboe BZX Exchange, Inc. (the “Exchange” or “BZX”) proposes to remove its Partial Post Only at Limit Order type. The text of the proposed rule change is provided in Exhibit 5.

(b) Not applicable.

(c) Not applicable.

Item 2. Procedures of the Self-Regulatory Organization

(a) The Exchange’s President (or designee) pursuant to delegated authority approved the proposed rule change on November 12, 2019.

(b) Please refer questions and comments on the proposed rule change to Pat Sexton, Executive Vice President, General Counsel, and Corporate Secretary, (312) 786-7467, or Rebecca Tenuta, (312) 786-7068, Cboe BZX Exchange, Inc., 400 South LaSalle, Chicago, Illinois 60605.

Item 3. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

(a) Purpose

The Exchange proposes to remove its Partial Post Only at Limit Order functionality and amend its rules in connection with the removal of this functionality. Currently, Rule 21.1(d)(9) provides that Partial Post Only at Limit Orders are orders that are to be ranked and executed on the Exchange pursuant to Rule 21.8 (Order Display and Book Processing) or cancelled, as appropriate, without routing away to another options exchange except that the order will only remove liquidity from the BZX Options Book under the circumstances contemplated in subparagraphs (9)(A) and (9)(B). Specifically, subparagraph (9)(A) provides that a Partial Post Only at Limit Order will remove

liquidity from the BZX Options Book up to the full size of the order if, at the time of receipt, it can be executed at prices better than its limit price (i.e., price improvement). Subparagraph (9)(B) provides that, regardless of any liquidity removed from the BZX Options Book under the circumstances described in subparagraph (9)(A), a User may enter a Partial Post Only at Limit Order instructing the Exchange to also remove liquidity from the BZX Options Book at the order's limit price up to a designated percentage of the remaining size of the order after any execution pursuant to subparagraph (9)(A) ("Maximum Remove Percentage") if, after removing such liquidity at the order's limit price, the remainder of such order can then post to the BZX Options Book. If no Maximum Remove Percentage is entered, such order will only remove liquidity to the extent such order will obtain price improvement as described in subparagraph (9)(A). Rule 21.1(h)(4) and (i)(4) also provide for display-price slide functionality and price adjust functionality, respectively, specific to Partial Post Only at Limit Orders.

The Exchange proposes to remove the Partial Post Only at Limit Order type in Rule 21.1(d)(9), and the relevant provisions (in Rules 21.1(h)(4) and 21.1(i)(4)) in connection with the order type.¹ User submission of this order type is infrequent. To illustrate, only one User submitted Partial Post Only at Limit Orders in the last month. Because so few Users submit Partial Post Only at Limit Orders, the Exchange believes the current demand does not warrant the Exchange resources necessary for ongoing System support of the order type (e.g., the System must maintain and apply a more complex matching algorithm for Partial Post Only at Limit orders than for most other order types). Finally, the Exchange notes that the use of Partial Post Only at Limit Orders

¹ As a result, the proposed change also updates the subsequent paragraph numbering.

is voluntary and that Price Improving Order types,² as well as functionality that allows Post Only Orders subject to the display-price sliding process to execute against resting orders at improved prices,³ will continue to be available to Users.

(b) 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.⁴

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

² See Rule 21.1(d)(6), which provides that Price Improving Orders are orders to buy or sell an option at a specified price at an increment smaller than the minimum price variation in the security. Price Improving Orders may be entered in increments as small as (1) one cent. Price Improving Orders shall be displayed at the minimum price variation in that security and shall be rounded up for sell orders and rounded down for buy orders.

³ See Rule 21.1(d)(8).

⁴ 15 U.S.C. 78f(b).

⁵ 15 U.S.C. 78f(b)(5).

⁶ Id.

In particular, the proposed rule change would remove impediments to and perfect the mechanism of a free and open market and a national market system and benefit investors, because it would delete from the Rules an order type the Exchange will no longer offer. Rule 21.1(d), which was previously filed with the Commission, permits the Exchange to determine which order types, including the Partial Post Only at Limit Order, are available. Therefore, it is consistent with Act to not offer this order type. The Exchange believes it will promote transparency in its Rules to delete order types that the Exchange does not make available, and will not make available, in any class. The Exchange notes other options exchanges do not offer this order type.⁷ Moreover, the Exchange does not believe that the proposed rule change will affect the protection of investors or the maintenance of a fair and orderly market because this order type is so infrequently implemented. In addition to this, the Exchange notes that use of this order type is voluntary and the Exchange will continue to offer other price improving functionality. Also, the Exchange believes the low usage rate for Partial Post Only at Limit Orders does not warrant the continued resources necessary for System support of such orders (including the application of a particularly complex matching algorithm required for Partial Post Only at Limit Orders). As a result, the Exchange believes the proposed rule change will also remove impediments to and perfect the mechanism of a free and open market and national market system by allowing the Exchange to reallocate System capacity and resources to more frequently elected functionality.

⁷ See Cboe C2 Exchange, Inc. Rule 6.10(b); Cboe EDGX Exchange, Inc. Rule 21.1(d); Cboe BZX Exchange, Inc. Rule 21.1(d); and Nasdaq BX, Inc. Options 3, Sec. 7(a).

In addition to this, the Exchange also believes the proposed rule change is consistent with Section 6(b)(1) of the Act,⁸ which provides that the Exchange be organized and have the capacity to be able to carry out the purposes of the Act and to enforce compliance by the Exchange's Members and persons associated with its Members with the Act, the rules and regulations thereunder, and the rules of the Exchange. The Exchange believes that removing a rarely used order type, and in turn, reallocating system capacity and resources would allow for the Exchange to be better organized and able to carry out the purposes of the Act and enforce compliance.

Item 4. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change to remove Partial Post Only at Limit Order types is not designed to address any competitive issues but rather to remove an order type rarely used on the Exchange, which is also consistent with the availability of order types in the rules of other option exchanges, which have been previously filed with the Commission. Additionally, the current Rule permits the Exchange to not make this order type available, which Rule was previously filed with the Commission. As noted above, the use of this order type is voluntary and the Exchange will continue to offer other price improving functionality.

⁸ 15 U.S.C. 78f(b)(1).

Item 5. 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.

Item 6. Extension of Time Period for Commission Action

Not applicable.

Item 7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2) or Section 19(b)(7)(D)

(a) The proposed rule change is filed for immediate effectiveness pursuant to Section 19(b)(3)(A) of Act⁹ and Rule 19b-4(f)(6)¹⁰ thereunder.

(b) The Exchange designates that the proposed rule change effects a change that (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest. Additionally, the Exchange has given 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 change, or such shorter time as designated by the Commission.

The proposed will not significantly affect the protection of investors and the public interest, but rather is intended to benefit investors and the public interest by deleting an order type that the Exchange does not make available, and will not make

⁹ 15 U.S.C. 78s(b)(3)(A).

¹⁰ 17 CFR 240.19b-4(f)(6).

available, in any class (pursuant to Rule 21.1(d)), thereby promoting transparency in the Exchange Rules. The proposed rule change will not significantly affect the protection of investors because the use of this order type is voluntary and so infrequently implemented. The Exchange notes that it will continue to offer other price improving functionality. In addition to this, the proposed rule change will benefit investors by making System capacity and resources that are currently devoted to supporting seldom used Partial Post Only at Limit Orders available to focus on supporting other, more frequently elected functionality or potentially new functionality. The Exchange also notes that by removing a rarely used order type, which, as stated, would also allow the Exchange to reallocate resources, the proposed rule change would benefit investors by facilitating the Exchange to be better organized and able to carry out the purposes of the Act and enforce compliance.

Finally, the Exchange does not believe that the proposed rule change will impose any significant burden on competition because the proposed rule change to remove Partial Post Only at Limit Order types is not designed to address any competitive issues but rather to delete an order type rarely used on the Exchange. The Exchange again notes that the use of this order type is voluntary. The proposed rule change is consistent with the order types currently offered pursuant to the rules of other options exchanges, which have been previously filed with the Commission.

For the foregoing reasons, this rule filing qualifies as a “non-controversial” rule change under Rule 19b-4(f)(6), which renders the proposed rule change effective upon filing with the Commission. At any time within 60 days of the filing of this 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.

The Exchange respectfully requests that the Commission waive the 30-day operative delay period after which a proposed rule change under Rule 19b-4(f)(6) becomes effective. In order to improve and simplify the System's matching algorithm, as well as reallocate resources that currently support a rarely elected order type as soon as feasible, the Exchange intends to decommission Partial Post Only at Limit Order functionality on November 22, 2019. The Exchange believes this is ample time to give Users notice of its plan to decommission this order type, thereby ensuring the protection of investors. The Exchange believes waiver of the operative delay will serve in the interests of investors and the public interest because, as stated, removing a seldom used order type will allow the Exchange to realize System capacity and support for other, more frequently elected or potentially new functionality as soon as November 22, 2019. Also, as described above, the Exchange does not believe that the proposed rule change will impact the protection of investors because this order type is voluntary and so infrequently implemented, and the Exchange it will continue to offer other price improving functionality. The Exchange again notes that the proposal is consistent with the availability of order types under the rules of other options exchanges and with Rule 21.1(d), which permits the Exchange to determine the availability of order types, all previously filed with the Commission. For these reasons, the Exchange respectfully requests that the Commission waive the 30-day operative delay.

(c) Not applicable.

(d) Not applicable.

Item 8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

The proposed rule change is not based on a rule either of another self-regulatory organization or of the Commission.

Item 9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

Item 10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

Item 11. Exhibits

Exhibit 1. Completed Notice of Proposed Rule Change for publication in the Federal Register.

Exhibit 5. Proposed rule text.

EXHIBIT 1**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34- ; File No. SR-CboeBZX-2019-100]

[Insert date]

Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to Remove its Partial Post Only at Limit Order Type

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 [insert date], 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 Exchange filed the proposal as a “non-controversial” proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act³ and Rule 19b-4(f)(6) thereunder.⁴ 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. (the “Exchange” or “BZX”) proposes to remove its Partial Post Only at Limit Order type. The text of the proposed rule change is provided in Exhibit 5.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(iii).

⁴ 17 CFR 240.19b-4(f)(6).

The text of the proposed rule change is also available on the Exchange's website (http://markets.cboe.com/us/equities/regulation/rule_filings/bzx/), at the Exchange's Office of the Secretary, and at the Commission's Public Reference Room.

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 remove its Partial Post Only at Limit Order functionality and amend its rules in connection with the removal of this functionality. Currently, Rule 21.1(d)(9) provides that Partial Post Only at Limit Orders are orders that are to be ranked and executed on the Exchange pursuant to Rule 21.8 (Order Display and Book Processing) or cancelled, as appropriate, without routing away to another options exchange except that the order will only remove liquidity from the BZX Options Book under the circumstances contemplated in subparagraphs (9)(A) and (9)(B). Specifically, subparagraph (9)(A) provides that a Partial Post Only at Limit Order will remove liquidity from the BZX Options Book up to the full size of the order if, at the time of receipt, it can be executed at prices better than its limit price (i.e., price improvement). Subparagraph (9)(B) provides that, regardless of any liquidity removed from the BZX

Options Book under the circumstances described in subparagraph (9)(A), a User may enter a Partial Post Only at Limit Order instructing the Exchange to also remove liquidity from the BZX Options Book at the order's limit price up to a designated percentage of the remaining size of the order after any execution pursuant to subparagraph (9)(A) ("Maximum Remove Percentage") if, after removing such liquidity at the order's limit price, the remainder of such order can then post to the BZX Options Book. If no Maximum Remove Percentage is entered, such order will only remove liquidity to the extent such order will obtain price improvement as described in subparagraph (9)(A). Rule 21.1(h)(4) and (i)(4) also provide for display-price slide functionality and price adjust functionality, respectively, specific to Partial Post Only at Limit Orders.

The Exchange proposes to remove the Partial Post Only at Limit Order type in Rule 21.1(d)(9), and the relevant provisions (in Rules 21.1(h)(4) and 21.1(i)(4)) in connection with the order type.⁵ User submission of this order type is infrequent. To illustrate, only one User submitted Partial Post Only at Limit Orders in the last month. Because so few Users submit Partial Post Only at Limit Orders, the Exchange believes the current demand does not warrant the Exchange resources necessary for ongoing System support of the order type (e.g., the System must maintain and apply a more complex matching algorithm for Partial Post Only at Limit orders than for most other order types). Finally, the Exchange notes that the use of Partial Post Only at Limit Orders is voluntary and that Price Improving Order types,⁶ as well as functionality that allows

⁵ As a result, the proposed change also updates the subsequent paragraph numbering.

⁶ See Rule 21.1(d)(6), which provides that Price Improving Orders are orders to buy or sell an option at a specified price at an increment smaller than the minimum price variation in the security. Price Improving Orders may be entered

Post Only Orders subject to the display-price sliding process to execute against resting orders at improved prices,⁷ will continue to be available to Users.

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.⁸

Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)⁹ 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)¹⁰ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, the proposed rule change would remove impediments to and perfect the mechanism of a free and open market and a national market system and benefit

in increments as small as (1) one cent. Price Improving Orders shall be displayed at the minimum price variation in that security and shall be rounded up for sell orders and rounded down for buy orders.

⁷ See Rule 21.1(d)(8).

⁸ 15 U.S.C. 78f(b).

⁹ 15 U.S.C. 78f(b)(5).

¹⁰ Id.

investors, because it would delete from the Rules an order type the Exchange will no longer offer. Rule 21.1(d), which was previously filed with the Commission, permits the Exchange to determine which order types, including the Partial Post Only at Limit Order, are available. Therefore, it is consistent with Act to not offer this order type. The Exchange believes it will promote transparency in its Rules to delete order types that the Exchange does not make available, and will not make available, in any class. The Exchange notes other options exchanges do not offer this order type.¹¹ Moreover, the Exchange does not believe that the proposed rule change will affect the protection of investors or the maintenance of a fair and orderly market because this order type is so infrequently implemented. In addition to this, the Exchange notes that use of this order type is voluntary and the Exchange will continue to offer other price improving functionality. Also, the Exchange believes the low usage rate for Partial Post Only at Limit Orders does not warrant the continued resources necessary for System support of such orders (including the application of a particularly complex matching algorithm required for Partial Post Only at Limit Orders). As a result, the Exchange believes the proposed rule change will also remove impediments to and perfect the mechanism of a free and open market and national market system by allowing the Exchange to reallocate System capacity and resources to more frequently elected functionality.

In addition to this, the Exchange also believes the proposed rule change is consistent with Section 6(b)(1) of the Act,¹² which provides that the Exchange be

¹¹ See Cboe C2 Exchange, Inc. Rule 6.10(b); Cboe EDGX Exchange, Inc. Rule 21.1(d); Cboe BZX Exchange, Inc. Rule 21.1(d); and Nasdaq BX, Inc. Options 3, Sec. 7(a).

¹² 15 U.S.C. 78f(b)(1).

organized and have the capacity to be able to carry out the purposes of the Act and to enforce compliance by the Exchange's Members and persons associated with its Members with the Act, the rules and regulations thereunder, and the rules of the Exchange. The Exchange believes that removing a rarely used order type, and in turn, reallocating system capacity and resources would allow for the Exchange to be better organized and able to carry out the purposes of the Act and enforce compliance.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change to remove Partial Post Only at Limit Order types is not designed to address any competitive issues but rather to remove an order type rarely used on the Exchange, which is also consistent with the availability of order types in the rules of other option exchanges, which have been previously filed with the Commission. Additionally, the current Rule permits the Exchange to not make this order type available, which Rule was previously filed with the Commission. As noted above, the use of this order type is voluntary and the Exchange will continue to offer other price improving functionality.

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

Because the foregoing proposed rule change does not:

A. significantly affect the protection of investors or the public interest;

B. impose any significant burden on competition; and

C. 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 Act¹³ and Rule 19b-4(f)(6)¹⁴ 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 (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-CboeBZX-2019-100 on the subject line.

¹³ 15 U.S.C. 78s(b)(3)(A).

¹⁴ 17 CFR 240.19b-4(f)(6).

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-2019-100. This file number should be included on the subject line if e-mail 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 (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, D.C. 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-CboeBZX-2019-100 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁵

¹⁵ 17 CFR 200.30-3(a)(12).

Secretary

EXHIBIT 5

(additions are underlined; deletions are [bracketed])

* * * * *

Rules of Cboe BZX Exchange, Inc.

* * * * *

Rule 21.1. Definitions

* * * * *

(d) The term “Order Type” shall mean the unique processing prescribed for designated orders, subject to the restrictions set forth in paragraph (l) below with respect to orders and bulk messages submitted through bulk ports, that are eligible for entry into the System. Unless otherwise specified in the Rules or the context indicates otherwise, the Exchange determines which of the following Order Types are available on a class or system basis.

([3]1) “Reserve Orders” are limit orders that have both a portion of the quantity displayed (“Display Quantity”) and with a reserve portion of the quantity (“Reserve Quantity”) that is not displayed. Both the Display Quantity and Reserve Quantity of the Reserve Order are available for potential execution against incoming orders. If the Display Quantity of a Reserve Order is fully executed, the System will, in accordance with the User’s instruction, replenish the Display Quantity from the Reserve Quantity using one of the below replenishment instructions. If the remainder of an order is less than the replenishment amount, the Exchange will replenish and display the entire remainder of the order. A User must instruct the Exchange as to the quantity of the order to be initially displayed by the System (“Max Floor”) when entering a Reserve Order, which is also used to determine the replenishment amount, as set forth below. A new timestamp is created for both the Display Quantity and the Reserve Quantity of the order each time it is replenished from reserve. Users may not designate bulk messages as Reserve Orders.

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(9) [“Partial Post Only at Limit Orders” are orders that are to be ranked and executed on the Exchange pursuant to Rule 21.8 (Order Display and Book Processing) or cancelled, as appropriate, without routing away to another options exchange except that the order will only remove liquidity from the BZX Options Book under the following circumstances:

(A) A Partial Post Only at Limit Order will remove liquidity from the BZX Options Book up to the full size of the order if, at the time of receipt, it can be executed at prices better than its limit price (i.e., price improvement).

(B) Regardless of any liquidity removed from the BZX Options Book under the circumstances described in paragraph (A) above, a User may enter a Partial Post Only at Limit Order instructing the Exchange to also remove liquidity from the BZX Options Book at the order's limit price up to a designated percentage of the remaining size of the order after any execution pursuant to paragraph (A) above ("Maximum Remove Percentage") if, after removing such liquidity at the order's limit price, the remainder of such order can then post to the BZX Options Book. If no Maximum Remove Percentage is entered, such order will only remove liquidity to the extent such order will obtain price improvement as described in paragraph (A) above.

A Partial Post Only at Limit Order will be subject to the display-price sliding process unless a User has entered instructions not to use the display-price sliding process as set forth in paragraph (h) below. Users may not designate bulk messages as Partial Post Only at Limit Orders.

(10)] "Intermarket Sweep Orders" or "ISO" are orders that shall have the meaning provided in Rule 27.1 (Definitions). Such orders may be executed at one or multiple price levels in the System without regard to Protected Quotations at other options exchanges (i.e., may trade through such quotations). The Exchange relies on the marking of an order by a User as an ISO order when handling such order, and thus, it is the entering Member's responsibility, not the Exchange's responsibility, to comply with the requirements relating to ISOs. ISOs are not eligible for routing pursuant to Rule 21.9 (Order Routing). Users may not designate bulk messages as ISOs.

(1[1]0) Stop Order. A Stop Order is an order that becomes a Market Order when the stop price is elected. A Stop Order to buy is elected when the consolidated last sale in the option occurs at or above, or the NBB is equal to or higher than, the specified stop price. A Stop Order to sell is elected when the consolidated last sale in the option occurs at or below, or the NBO is equal to or lower than, the specified stop price. A Stop Order will not be elected if the underlying security is in a "Limit State" as defined in the Limit Up-Limit Down Plan. Such order will be held until the end of the Limit State, at which point the order will again become eligible to be elected. Users may not designate bulk messages as Stop Orders.

(1[2]1) Stop Limit Order. A Stop Limit Order is an order that becomes a limit order when the stop price is elected. A Stop Limit Order to buy is elected and becomes a buy limit order when the consolidated last sale in the option occurs at or above, or the NBB is equal to or higher than, the specified stop price. A Stop Limit Order to sell is elected and becomes a sell limit order when the consolidated last sale in the option occurs at or below, or the NBO is equal to or lower than, the specified stop price. Users may not designate bulk messages as Stop Limit Orders.

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(h) Display-Price Sliding.

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(4) Any Post Only Order subject to the display-price sliding process described in this paragraph (h) that locks or crosses a Protected Quotation displayed by the Exchange upon entry will be executed as set forth in Rule 21.1(d)(8) or cancelled. A Post Only bulk message that locks or crosses a Protected Quotation displayed by the Exchange upon entry will be cancelled. [Any Partial Post Only at Limit Order subject to the display-price sliding process described in this paragraph (h) that locks or crosses a Protected Quotation displayed by the Exchange upon entry will be executed as set forth in Rule 21.1(d)(9) or cancelled.] Any Post Only Order [or Partial Post Only at Limit Order] that locks or crosses a Protected Quotation displayed by an external market upon entry will be subject to the display-price sliding process described in this paragraph (h). In the event the NBBO changes such that a Post Only Order subject to display-price sliding would be ranked at a price at which it could remove displayed liquidity from the BZX Options Book, the order will be cancelled.

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(i) Price Adjust.

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(4) Any Post Only Order that locks or crosses a Protected Quotation displayed by the Exchange upon entry will be adjusted pursuant to the Price Adjust process described in this paragraph (i). [Any Partial Post Only at Limit Order that locks or crosses a Protected Quotation displayed by the Exchange upon entry will be executed as set forth in Rule 21.1(d)(9) or adjusted pursuant to the Price Adjust process described in this paragraph (i).

(5)] The Price Adjust process does not apply to bulk messages.

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