

Required fields are shown with yellow backgrounds and asterisks.

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

Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
			Rule		
Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
			<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) * <input type="checkbox"/>	Section 806(e)(2) * <input type="checkbox"/>
Section 3C(b)(2) * <input type="checkbox"/>	

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

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

The Exchange proposes to amend its Interpretations and Policies to Rule 21.20 in connection with Market Makers' complex orders, quoting obligations and volume.

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 11/03/2020 VP, Associate General Counsel
 By Laura G. Dickman
 (Name *)

Idickman@cboe.com

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 EFFS website.

Form 19b-4 Information *

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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

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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

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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 EDGX Exchange, Inc. (the “Exchange” or “EDGX”) proposes to amend its Interpretations and Policies to Rule 21.20 in connection with Market Makers’ complex orders, quoting obligations and volume. 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 October 7, 2020.

(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, Counsel, (312) 786-7068.

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 adopt new Interpretation and Policy .02 to Rule 21.20 which provides that complex strategies are included when determining whether a Market Maker exceeds the 25% volume threshold in its non-appointed classes pursuant to Rule 22.6(f).¹ The Exchange also proposes to make clarifying, nonsubstantive updates to Interpretation and Policy .01 to Rule 21.20.

Rule 21.20 governs trading of complex orders on the Exchange and, currently, Interpretation and Policy .01 to Rule 21.20 specifically provides that Market Makers are not

¹ As a result of the proposed Interpretation and Policy, the proposed rule change accordingly updates the subsequent Interpretation and Policy numbering.

required to quote on the COB. Complex strategies are not subject to any quoting requirements that are applicable to Market Makers in the simple market for individual options series or classes. Interpretation and Policy .01 to Rule 21.20 also states that volume executed in complex strategies is not taken into consideration when determining whether Market Makers are meeting quoting obligations applicable to Market Makers in the simple market for individual options. The proposed rule change updates Interpretation and Policy .01 to Rule 21.20 in order to provide additional clarity and consistency with the rules that provide for a Market-Maker's quoting requirements and obligations. Specifically, pursuant to Rule 22.6, a Market-Maker must satisfy quoting obligations in each of its appointed classes. As such, the proposed updates Interpretation and Policy .01 to Rule 21.20 to make it clear that a Market-Maker's orders in complex strategies are not subject to a Market-Maker's quoting requirements in its appointed classes nor are considered in determining whether a Market-Maker has satisfied its quoting obligations in its appointed classes. Also, the proposed rule change updates Interpretation and Policy .01 to Rule 21.20 as it inadvertently refers to volume executed rather than orders, as "quoting" obligations relate to the submission of quotes and orders rather than executed volume. More specifically, pursuant to Rule 22.6, a Market-Maker's bids and offers entered in the simple market are considered in determining whether a Market-Maker satisfies its quoting obligations, therefore, the proposed rule change amends Interpretation and Policy .01 to Rule 21.20 to more appropriately reflect this. The proposed change also updates the language in Interpretation and Policy .01 to read in plain English.

Current Rule 22.6(f) provides that a Market-Maker is considered an order entry firm (“OEF”)² under the Rules in all classes in which the Market-Maker has no appointment, and limits the total number of contracts a Market-Maker may execute in classes in which it has no appointment to 25% of the total number of all contracts the Market-Maker executes on the Exchange in any calendar quarter. The Exchange does not currently include executed complex order volume when determining whether a Market-Maker has exceeded this threshold. The Exchange’s affiliated options exchange, Cboe Exchange, Inc. (“Cboe Options”) has a rule in place that is substantially the same as EDGX Rule 22.6(f); however, Cboe Options currently considers a Market Maker’s executed complex order volume as well as a Market Maker’s executed simple order volume in determining whether a Market-Maker has exceeded the 25% volume threshold in its non-appointed classes.³ In order to harmonize this practice across the affiliated options exchanges,⁴ the Exchange now proposes to change its current interpretation and adopt proposed Interpretation and Policy .02 to Rule 20.21 to provide that a Market-Maker’s orders for complex strategies executed in classes in which it has no appointment are included in the total number of all contracts the Market-Maker executes on the Exchange in any calendar quarter in determining whether the Market-Maker

² See Rule 16.1., which defines an “Options Order Entry Firm” and “Order Entry Firm” or “OEF” as those Options Members representing as agent Customer Orders on EDGX Options and those non-Market Maker Members conducting proprietary trading.

³ The Exchange notes too that Cboe Options intends to simultaneously submit a rule filing to codify its current practice in calculating its Market-Makers’ simple and complex volume in non-appointed classes in its corresponding Interpretations and Policies to Rule 21.20.

⁴ The Exchange’s affiliated options exchange, Cboe C2 Exchange, Inc. (“C2”) intends to simultaneously submit a substantively identical rule filing to clarify that it will calculate its Market Makers’ simple and complex volume in non-appointed classes pursuant to Cboe Options’ current practice.

exceeds the 25% threshold pursuant to Rule 22.6(f). The Exchange notes that Rule 22.6(f) is designed to prevent a Market-Maker from executing volume in non-appointed option classes in an amount disproportionate to volume executed in its appointed option classes, potentially in derogation of the performance of its obligations and provision of liquidity in its appointed option classes. As such, the proposed rule change is consistent with and supports the purposed of Rule 22.6(f) by including complex orders in this calculation. Therefore, the proposed rule change considers a Market-Maker's orders executed in complex strategies representative of a Market-Maker's total volume on the Exchange.

(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.⁵

Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)⁶ 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

⁵ 15 U.S.C. 78f(b).

⁶ 15 U.S.C. 78f(b)(5).

the Section 6(b)(5)⁷ 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 will remove impediments to and perfect the mechanism of a free and open market and a national market system by providing that the Exchange considers a Market-Maker's complex order volume when calculating the 25% threshold of volume in non-appointed classes pursuant to Rule 22.6(f) and thereby harmonizing the Exchange's rules with that of the corresponding rules of its affiliated options exchanges.⁸ Specifically, Rule 22.6(f) is designed to prevent a Market-Maker from executing volume in non-appointed option classes in an amount disproportionate to volume executed in its appointed option classes, potentially in derogation of the performance of its obligations and provision of liquidity in its appointed option classes. As stated above, the Exchange believes that a Market-Maker's orders executed in complex strategies are representative of a Market-Maker's total volume on the Exchange. Thus, including such in its calculation of volume in non-appointed classes will help to ensure that Market-Makers perform their obligations and provide liquidity in appointed classes in an appropriate manner as compared to non-appointed classes, and is thereby consistent with and supports the purpose of Rule 22.6(f). The Exchange also believes that codifying that a Market-Maker's complex order volume counts towards its Market-Maker's total volume on the Exchange may mitigate any potential confusion regarding this calculation so that Market-Makers have more clarity regarding their obligations in appointed classes in an appropriate manner as compared to non-appointed classes.. As such, the Exchange believes the proposed rule

⁷ Id.

⁸ See supra notes 3 and 4.

change will contribute to the protection of investors and the public interest by adding transparency and clarity to the Exchange's Rules by codifying its affiliated options exchange's current interpretation of how a Market-Maker's executed volume on the Exchange is calculated. In addition, the Exchange believes the proposed changes to Interpretation and Policy .01 of Exchange Rule 21.20 will add clarity by revising the Rule to provide that orders entered in appointed classes, rather than volume executed, is considered in connection with determining whether a Market-Maker meets its quoting obligations pursuant to 22.6 in its appointed classes as well as updating the language to read in plain English.

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 Exchange reiterates that the proposed rule change is intended to codify in new Interpretation and Policy .02 to Rule 21.20 that the Exchange will consider a Market-Maker's complex strategy execution volume in calculating its volume per quarter pursuant to Rule 22.6(f) and harmonize this calculation with the manner in which the exchange's affiliated options exchange, Cboe Options, currently calculates Market-Maker executed volume in non-appointed classes. The proposed rule change also corrects an inadvertent error in Interpretation and Policy .01 to 21.20 indicating that executed volume rather than entered orders are considered when determining compliance with a Market-Maker's quoting obligations. Thus, the Exchange believes this proposed rule change will benefit Exchange participants by providing specific guidance and additional clarity within the Exchange Rules, as well as between the rules of the affiliated options exchanges.

Additionally, the Exchange believes that the proposed rule change regarding the applicability of Rule 22.6(f) to a Market-Maker's executions in the COB does not impose any burden on intramarket competition because it applies to all Market-Makers in the same manner. The proposed rule change codifies its affiliated options exchange's existing interpretation of such calculation in its corresponding rules. It does not modify any existing Market-Maker obligations. The Exchange believes that the proposed rule change does not impose any burden on intermarket competition because it relates to an obligation regarding Market-Maker executed volume only on the Exchange.

The Exchange believes that the proposed rule change will relieve any burden on market participants because it serves to provide Market-Makers with rules that ensure that Market-Makers are performing their obligations in appointed options classes in an appropriate manner as compared to non-appointed classes. Ensuring that Market-Makers execute a certain amount of their volume in appointed classes will contribute to sufficient liquidity in those classes, which benefits the market and investors as a whole.

Additionally, the proposed nonsubstantive updates to Interpretation and Policy .01 to Rule 21.20 are not competitive in nature and, instead, are intended to correct an inadvertently used term and provide clarity and consistency within the Rules.

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.

As described above, the proposed rule change to Interpretation and Policy .02 to Rule 21.20 is intended to provide that Market-Maker volume executed in the COB is subject to the Market-Maker volume thresholds set forth in Rule 22.6(f). The Exchange does not believe that the proposed rule change would significantly affect the protection of investors and the public interest, but instead would serve to benefit investors and the public interest by implementing a proposed rule change that is consistent with and supports the policy of Rule 22.6(f). Indeed, the Exchange believes consideration of both complex and simple order volume in the calculation of a Market-Maker's non-appointed volume is consistent with the purpose of the requirement in Rule 22.6(f), which is to

⁹ 15 U.S.C. 78s(b)(3)(A).

¹⁰ 17 CFR 240.19b-4(f)(6).

prevent a Market-Maker from executing volume in non-appointed option classes in an amount disproportionate to volume executed in its appointed option classes, potentially in derogation of the performance of its obligations and provision of liquidity in its appointed option classes. Moreover, the proposed rule change is also designed to harmonize the Exchange's rules, and the manner in which Market-Maker volume is calculated per quarter, with that of its affiliated options exchanges.¹¹ The Exchange believes the proposed rule change does not significantly affect the protection of investors or the public interest because it adds guidance and clarity to the Rules regarding the volume calculation pursuant to Rule 22.6(f) and harmonizes its Rules with an existing affiliated options exchange practice,¹² which will allow for participants to better understand and comply with the Exchange's Market-Maker rules, as well as the Market-Maker rules across the affiliated options exchanges.

The Exchange does not believe the proposed rule change will impose any burden on competition as the proposed rule change will apply in the same manner to all Market-Makers. Additionally, the proposed rule change will have no impact on Market-Maker obligations.

The proposed updates to Interpretation and Policy .01 to Rule 21.20 will not affect the protection of investors or the public interest, nor impose any burden on competition because they are nonsubstantive in nature and are designed to correct a misstatement in the Rule text and to add clarity to and consistency within the Rules.

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

¹¹ See supra notes 3 and 4.

¹² And pending rules. See id.

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.

(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 if not included under Item 1(a).

EXHIBIT 1**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34- ; File No. SR-CboeEDGX-2020-054]

[Insert date]

Self-Regulatory Organizations; Cboe EDGX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to Amend its Interpretations and Policies to Rule 21.20 in Connection with Market Makers' Complex Orders, Quoting Obligations and Volume

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 EDGX Exchange, Inc. (the "Exchange" or "EDGX") 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 EDGX Exchange, Inc. (the "Exchange" or "EDGX") proposes to amend its Interpretations and Policies to Rule 21.20 in connection with Market Makers' complex orders, quoting obligations and volume. 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/options/regulation/rule_filings/edgx/), 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 adopt new Interpretation and Policy .02 to Rule 21.20 which provides that complex strategies are included when determining whether a Market Maker exceeds the 25% volume threshold in its non-appointed classes pursuant to Rule 22.6(f).⁵ The Exchange also proposes to make clarifying, nonsubstantive updates to Interpretation and Policy .01 to Rule 21.20.

Rule 21.20 governs trading of complex orders on the Exchange and, currently, Interpretation and Policy .01 to Rule 21.20 specifically provides that Market Makers are not required to quote on the COB. Complex strategies are not subject to any quoting requirements that are applicable to Market Makers in the simple market for individual options series or classes. Interpretation and Policy .01 to Rule 21.20 also states that volume

⁵ As a result of the proposed Interpretation and Policy, the proposed rule change accordingly updates the subsequent Interpretation and Policy numbering.

executed in complex strategies is not taken into consideration when determining whether Market Makers are meeting quoting obligations applicable to Market Makers in the simple market for individual options. The proposed rule change updates Interpretation and Policy .01 to Rule 21.20 in order to provide additional clarity and consistency with the rules that provide for a Market-Maker's quoting requirements and obligations. Specifically, pursuant to Rule 22.6, a Market-Maker must satisfy quoting obligations in each of its appointed classes. As such, the proposed updates Interpretation and Policy .01 to Rule 21.20 to make it clear that a Market-Maker's orders in complex strategies are not subject to a Market-Maker's quoting requirements in its appointed classes nor are considered in determining whether a Market-Maker has satisfied its quoting obligations in its appointed classes. Also, the proposed rule change updates Interpretation and Policy .01 to Rule 21.20 as it inadvertently refers to volume executed rather than orders, as "quoting" obligations relate to the submission of quotes and orders rather than executed volume. More specifically, pursuant to Rule 22.6, a Market-Maker's bids and offers entered in the simple market are considered in determining whether a Market-Maker satisfies its quoting obligations, therefore, the proposed rule change amends Interpretation and Policy .01 to Rule 21.20 to more appropriately reflect this. The proposed change also updates the language in Interpretation and Policy .01 to read in plain English.

Current Rule 22.6(f) provides that a Market-Maker is considered an order entry firm ("OEF")⁶ under the Rules in all classes in which the Market-Maker has no appointment, and limits the total number of contracts a Market-Maker may execute in

⁶ See Rule 16.1., which defines an "Options Order Entry Firm" and "Order Entry Firm" or "OEF" as those Options Members representing as agent Customer Orders on EDGX Options and those non-Market Maker Members conducting proprietary trading.

classes in which it has no appointment to 25% of the total number of all contracts the Market-Maker executes on the Exchange in any calendar quarter. The Exchange does not currently include executed complex order volume when determining whether a Market-Maker has exceeded this threshold. The Exchange's affiliated options exchange, Cboe Exchange, Inc. ("Cboe Options") has a rule in place that is substantially the same as EDGX Rule 22.6(f); however, Cboe Options currently considers a Market Maker's executed complex order volume as well as a Market Maker's executed simple order volume in determining whether a Market-Maker has exceeded the 25% volume threshold in its non-appointed classes.⁷ In order to harmonize this practice across the affiliated options exchanges,⁸ the Exchange now proposes to change its current interpretation and adopt proposed Interpretation and Policy .02 to Rule 20.21 to provide that a Market-Maker's orders for complex strategies executed in classes in which it has no appointment are included in the total number of all contracts the Market-Maker executes on the Exchange in any calendar quarter in determining whether the Market-Maker exceeds the 25% threshold pursuant to Rule 22.6(f). The Exchange notes that Rule 22.6(f) is designed to prevent a Market-Maker from executing volume in non-appointed option classes in an amount disproportionate to volume executed in its appointed option classes, potentially in derogation of the performance of its obligations and provision of liquidity in its appointed option classes. As such, the proposed rule change is consistent with and supports the

⁷ The Exchange notes too that Cboe Options intends to simultaneously submit a rule filing to codify its current practice in calculating its Market-Makers' simple and complex volume in non-appointed classes in its corresponding Interpretations and Policies to Rule 21.20.

⁸ The Exchange's affiliated options exchange, Cboe C2 Exchange, Inc. ("C2") intends to simultaneously submit a substantively identical rule filing to clarify that it will calculate its Market Makers' simple and complex volume in non-appointed classes pursuant to Cboe Options' current practice.

purposed of Rule 22.6(f) by including complex orders in this calculation. Therefore, the proposed rule change considers a Market-Maker's orders executed in complex strategies representative of a Market-Maker's total volume on the Exchange.

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.⁹

Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹⁰ 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)¹¹ 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 will remove impediments to and perfect the mechanism of a free and open market and a national market system by providing that the Exchange considers a Market-Maker's complex order volume when calculating the 25% threshold of volume in non-appointed classes

⁹ 15 U.S.C. 78f(b).

¹⁰ 15 U.S.C. 78f(b)(5).

¹¹ Id.

pursuant to Rule 22.6(f) and thereby harmonizing the Exchange's rules with that of the corresponding rules of its affiliated options exchanges.¹² Specifically, Rule 22.6(f) is designed to prevent a Market-Maker from executing volume in non-appointed option classes in an amount disproportionate to volume executed in its appointed option classes, potentially in derogation of the performance of its obligations and provision of liquidity in its appointed option classes. As stated above, the Exchange believes that a Market-Maker's orders executed in complex strategies are representative of a Market-Maker's total volume on the Exchange. Thus, including such in its calculation of volume in non-appointed classes will help to ensure that Market-Makers perform their obligations and provide liquidity in appointed classes in an appropriate manner as compared to non-appointed classes, and is thereby consistent with and supports the purpose of Rule 22.6(f). The Exchange also believes that codifying that a Market-Maker's complex order volume counts towards its Market-Maker's total volume on the Exchange may mitigate any potential confusion regarding this calculation so that Market-Makers have more clarity regarding their obligations in appointed classes in an appropriate manner as compared to non-appointed classes.. As such, the Exchange believes the proposed rule change will contribute to the protection of investors and the public interest by adding transparency and clarity to the Exchange's Rules by codifying its affiliated options exchange's current interpretation of how to a Market-Maker's executed volume on the Exchange is calculated. In addition, the Exchange believes the proposed changes to Interpretation and Policy .01 of Exchange Rule 21.20 will add clarity by revising the Rule to provide that orders entered in appointed classes, rather than volume executed, is

¹² See supra notes 7 and 8.

considered in connection with determining whether a Market-Maker meets its quoting obligations pursuant to 22.6 in its appointed classes as well as updating the language to read in plain English.

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 reiterates that the proposed rule change is intended to codify in new Interpretation and Policy .02 to Rule 21.20 that the Exchange will consider a Market-Maker's complex strategy execution volume in calculating its volume per quarter pursuant to Rule 22.6(f) and harmonize this calculation with the manner in which the exchange's affiliated options exchange, Cboe Options, currently calculates Market-Maker executed volume in non-appointed classes. The proposed rule change also corrects an inadvertent error in Interpretation and Policy .01 to 21.20 indicating that executed volume rather than entered orders are considered when determining compliance with a Market-Maker's quoting obligations. Thus, the Exchange believes this proposed rule change will benefit Exchange participants by providing specific guidance and additional clarity within the Exchange Rules, as well as between the rules of the affiliated options exchanges.

Additionally, the Exchange believes that the proposed rule change regarding the applicability of Rule 22.6(f) to a Market-Maker's executions in the COB does not impose any burden on intramarket competition because it applies to all Market-Makers in the same manner. The proposed rule change codifies its affiliated options exchange's existing interpretation of such calculation in its corresponding rules. It does not modify any existing Market-Maker obligations. The Exchange believes that the proposed rule change

does not impose any burden on intermarket competition because it relates to an obligation regarding Market-Maker executed volume only on the Exchange.

The Exchange believes that the proposed rule change will relieve any burden on market participants because it serves to provide Market-Makers with rules that ensure that Market-Makers are performing their obligations in appointed options classes in an appropriate manner as compared to non-appointed classes. Ensuring that Market-Makers execute a certain amount of their volume in appointed classes will contribute to sufficient liquidity in those classes, which benefits the market and investors as a whole.

Additionally, the proposed nonsubstantive updates to Interpretation and Policy .01 to Rule 21.20 are not competitive in nature and, instead, are intended to correct an inadvertently used term and provide clarity and consistency within the Rules.

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

¹³ 15 U.S.C. 78s(b)(3)(A).

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-CboeEDGX-2020-054 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-2020-054. 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-CboeEDGX-2020-054 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

Secretary

¹⁵ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

(additions are underlined; deletions are [bracketed])

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Rules of Cboe EDGX Exchange, Inc.

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Rule 21.20. Complex Orders

Trading of complex orders is subject to all other Rules applicable to the trading of orders, unless otherwise provided in this Rule 21.20.

* * * * *

Interpretations and Policies:

.01 Market Maker Quoting. Market Makers are not required to quote on the COB. Complex strategies are not subject to any quoting requirements that [are applicable]apply to a Market Maker[s] in its [the simple market for individual options series or]appointed classes. The Exchange does not take into account a Market Maker's complex orders entered in its appointed classes [Volume executed in complex strategies is not taken into consideration] when determining whether a Market Maker[s] [are] meets[ing] its quoting obligations pursuant to Rule 22.6 [applicable to Market Makers] in its appointed classes [the simple market for individual options].

.02 Market-Maker Executions. A Market Maker's orders for complex strategies executed in classes in which it has no appointment are included in the total number of all contracts the Market Maker executes on the Exchange in any calendar quarter in determining whether the Market Maker exceeds the 25% threshold pursuant to Rule 22.6(f).

.03 Dissemination of COA Information. Dissemination of information related to COA-eligible orders by the submitting User to third parties will be deemed conduct inconsistent with just and equitable principles of trade as described in Rule 3.1.

.0[3]4. Stock-Option Orders. A User may only submit a stock-option order (including a QCC with Stock Order) if it complies with the Qualified Contingent Trade Exemption ("QCT Exemption") from Rule 611(a) of Regulation NMS. A User submitting a stock-option order represents that it complies with the QCT Exemption. To submit a stock-option order to the Exchange for execution, a User must enter into a brokerage agreement with one or more broker-dealers that are not affiliated with the Exchange, which broker-dealer(s) the Exchange has identified as having connectivity to electronically communicate the stock components of stock-option orders to stock trading venues.

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