

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 24		SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4		File No. * SR 2024 - * 008 Amendment No. (req. for Amendments *)	
Filing by Cboe BYX 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"/>	
Pilot <input type="checkbox"/>		Extension of Time Period for Commission Action * <input type="checkbox"/>		Date Expires * <input type="text"/>	
		Rule			
		<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 Section 806(e)(1) * <input type="checkbox"/>			Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934 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"/>		
Description Provide a brief description of the action (limit 250 characters, required when Initial is checked *). <div>The Exchange proposes to amend Rule 2.8, related to the voluntary termination of rights as an Exchange Member.</div>					
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 * Sarah Last Name * Williams Title * Senior Counsel E-mail * swilliams@cboe.com Telephone * (224) 461-6793 Fax					
Signature Pursuant to the requirements of the Securities Exchange of 1934, Cboe BYX Exchange, Inc. has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized. Date 03/19/2024 (Title *) By Laura G. Dickman VP, Associate General Counsel (Name *) <div>NOTE: Clicking the signature block at right will initiate digitally signing the form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.</div> <div>Laura Dickman Date: 2024.03.19 11:22:04 -05'00'</div>					

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information *

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24-008 (Harmonize Termination Rule)

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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24-008 (Harmonize Termination Rule)

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 Advanced 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 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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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.

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Exhibit Sent As Paper Document

Exhibit 3 - Form, Report, or Questionnaire

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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 Sent As Paper Document

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 BYX Exchange, Inc. (the “Exchange” or “BYX”) proposes to amend Rule 2.8, related to the voluntary termination of rights as an Exchange Member

(“Member”).¹ The text of the proposed rule change is provided below and in Exhibit 1.

(additions are underlined; deletions are [bracketed])

* * * * *

Rules of Cboe BYX Exchange, Inc.

* * * * *

Rule 2.8. Voluntary Termination of Rights as a Member

A Member may voluntarily terminate its rights as a Member only by a written resignation addressed to the Exchange’s Secretary or another officer designated by the Exchange. [Such resignation shall not take effect until 30 days after all of the following conditions have been satisfied: (i) receipt of such written resignation; (ii) all indebtedness due the Exchange shall have been paid in full; (iii) any Exchange investigation or disciplinary action brought against the Member has reached a final disposition; and (iv) any examination of such Member in process is completed and all exceptions noted have been reasonably resolved; provided, however, that the Board may declare a resignation effective at any time]Each terminating Member must promptly (a) make any outstanding filings required under the Rules, and (b) pay any outstanding fees, assessments, charges, fines, or other amounts due to the Exchange, the Commission, or the Securities Investor Protection Corporation.

* * * * *

(b) Not applicable.

(c) Not applicable.

Item 2. Procedures of the Self-Regulatory Organization

(a) The Exchange’s Chief Regulatory Officer pursuant to delegated authority approved the proposed rule change on January 19, 2024.

¹ See Exchange Rule 1.5(n). The term “Member” is defined as “any registered broker or dealer that has been admitted to membership in the Exchange.”

(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 Sarah Williams, (224) 461-6793, BYX, 433 West Van Buren Street, Chicago, Illinois 60607.

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

(a) Purpose

The Exchange proposes amendments to Rule 2.8 (Voluntary Termination of Rights as a Member). Rule 2.8 sets forth the requirements for a Member's voluntary termination of its rights as a Member. Currently, Rule 2.8 provides that a Member's voluntary termination of its rights as a Member shall not take effect until 30 days after all of the following conditions have been satisfied: (i) receipt of such written resignation; (ii) all indebtedness due the Exchange shall have been paid in full; (iii) any Exchange investigation or disciplinary action brought against the Member has reached a final disposition; and (iv) any examination of such Member in process is completed and all exceptions noted have been reasonably resolved. The Rule further provides that the Board may declare a resignation effective at any time.

The Exchange proposes to amend Rule 2.8 to remove conditions set forth in Rule 2.8(iii) and (iv), requiring that any Exchange investigation or disciplinary action brought against the Member has reached a final disposition and that any examination of such Member in process is completed and all exceptions noted have been reasonably resolved. The Exchange further proposes to amend Rule 2.8 to align the voluntary termination rules with that of its affiliates, Cboe Exchange, Inc. ("Cboe Options") and Cboe C2 Exchange, Inc. ("C2"). Specifically, Cboe Options Rule 3.16 and C2 Rule 3.7 require a terminating

Trading Permit Holder to promptly make any outstanding filings required under the respective Rules and pay any outstanding fees, assessments, charges, fines, or other amounts due to each Exchange, the Commission, or the Securities Investor Protection Corporation. The Exchange notes that its affiliates do not maintain a 30-day notice period for terminating members, and now proposes to remove the requirement from the Exchange's Rules. Under Rule 2.8, as amended, the Exchange would require receipt of written resignation, completion of any outstanding filings required under the Rules, and payment of any outstanding fees, assessments, charges, fines, or other amounts due to the Exchange, the Commission, or the Securities Investor Protection Corporation, in order for a Member's voluntary termination of its Member rights to take place.

The Exchange notes that, under Rule 8.1(b), any Member or person associated with a Member shall continue to be subject to the disciplinary jurisdiction of the Exchange following the termination of such person's membership or association with a Member with respect to matters that occurred prior to such termination, provided that written notice of the commencement of an inquiry into such matters is given by the Exchange to such former Member or former associated person within one year of receipt by the Exchange of the latest written notice of the termination of such person's status as a Member or person associated with a Member.² Thus, notwithstanding the proposed amendments to Rule 2.8, the Exchange continues to, under Rule 8.1, maintain disciplinary jurisdiction for matters relevant to any in-process examinations or investigations or disciplinary actions brought against a Member that voluntarily terminates its membership rights under Rule 2.8, as

² The notice requirement does not apply to a person who at any time after a termination again subjects himself or herself to the disciplinary jurisdiction of the Exchange by becoming a Member or a person associated with a Member.

amended, so long as the Exchange provides written notice to the former Member (or associated person) within one year of receipt of written notice of termination.³

As such, the Exchange believes the proposed amendments will not result in any practical changes to the Exchange's disciplinary jurisdiction from an Exchange or Member perspective. Rather, the proposed amendments are designed to facilitate a more efficient voluntary termination process, by allowing Members to terminate their Member status and therefore cease being subject to Member obligations notwithstanding any ongoing disciplinary actions and exams (which may continue for an indeterminate period of time), given the Exchange, via Rule 8.1, maintains jurisdiction over the firm following such termination for disciplinary matters.

Further, the Exchange notes there is no provision under the Securities Exchange Act of 1934 (the "Act") which requires that termination be conditioned on final disposition or exam completion. As noted above, the proposed rule change aligns the Exchange's voluntary termination requirements with those of its affiliates, Cboe Options and C2. Under Cboe Options Rule 3.16 (Obligations of Terminating TPHs), each terminating Trading Permit Holder is obligated to promptly (i) return to the Exchange all Exchange badges, including trading and access badges, that were issued to the Trading Permit Holder by the Exchange with respect to that Trading Permit Holder's terminating Trading Permit Holder status, (ii) make any outstanding filings required under Exchange rules, and (iii) pay any outstanding fees, assessments, charges, fines, or other amounts due to the Exchange, the

³ For the avoidance of doubt, if a Member voluntarily terminates its membership rights under Rule 2.8, as amended, while an examination or investigation or disciplinary action is in-process, the Exchange will continue to maintain disciplinary jurisdiction over the Member following their termination, subject to the provisions of Rule 8.1.

Securities and Exchange Commission, or the Securities Investor Protection Corporation.⁴

The Exchange further notes that at least one other exchange has similar obligations for terminating members, in that it does not require that termination be conditioned on final disposition or exam completion.⁵

(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.⁶ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)⁷ 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)⁸ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers. The Exchange also

⁴ Cboe Options Rule 3.1(c)(1) requires a Trading Permit Holder seeking to terminate that holder’s Trading Permit must notify the Exchange, prior to the deadline announced by the Exchange and in a form and manner prescribed by the Exchange, that the holder is terminating that Trading Permit at the end of its term.

⁵ See MIAX Options Exchange Rule 206 (Obligations of Terminating Members).

⁶ 15 U.S.C. 78f(b).

⁷ 15 U.S.C. 78f(b)(5).

⁸ Id.

believes the proposed rule change is consistent with Section 6(b)(1) of the Act,⁹ 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.

In particular, the Exchange believes the proposed amendments to the conditional requirements for voluntary termination of Membership will make the termination process more efficient by allowing Members to terminate their Member status and therefore cease being subject to Member obligations notwithstanding any ongoing disciplinary actions and exams (which may continue for an indeterminate period of time), given the Exchange maintains jurisdiction over the firm following such termination for disciplinary matters under Exchange Rules. The Exchange believes the proposed amendments result in a termination process that allows for proper disciplinary jurisdiction while also ensuring that termination is not unduly prolonged due to an administrative technicality within the termination requirements, to the benefit of investors and the public interest. Further, the Exchange believes the proposed changes will serve to avoid wasting Member and Exchange resources on maintaining memberships that are no longer utilized, but unable to be terminated due to ongoing disciplinary action or examination process.

As noted above, the Exchange continues to maintain disciplinary jurisdiction over terminated firms following termination for matters that occurred prior to termination, provided written notice of the commencement of an inquiry into such matters is provided to the terminated Member within one year of the Member's written notice of termination.

⁹ 15 U.S.C. 78f(b)(1).

Therefore, the Exchange believes that the termination requirements set forth in Rule 2.8(iii) and (iv) are unnecessarily duplicative, given the Exchange maintains disciplinary jurisdiction over terminated members via Rule 8.1(b) with respect to matters that occurred prior to such termination, thereby ensuring the Exchange may continue 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.

Further, the Exchange believes the proposed rule changes are just, equitable and not unfairly discriminatory because they conform to the process used by its affiliated options exchange, thereby providing consistency across the Cboe family options exchanges in regards to termination requirements. Such consistent requirements may, in turn, simplify the termination process for members of the Exchange that are also participants on Cboe affiliated exchanges. The Exchange believes this consistency will promote a fair and orderly national options market system.

The proposed changes also apply uniformly to all Members that may choose to voluntarily terminate their membership. As noted above, in addition to the Exchange's affiliates, at least one other exchange also has similar termination requirements as those proposed by the Exchange.¹⁰ As such, the proposed rule change would foster cooperation and coordination with persons engaged in facilitating transactions in securities and would remove impediments to and perfect the mechanism of a free and open market and a national market system.

¹⁰ See supra note 5. See also Cboe Options Rule 3.16 and C2 Rule 3.7.

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. This proposal does not create an unnecessary or inappropriate intra-market burden on competition because the proposed change will apply uniformly to all Members that choose to voluntarily terminate their membership. Further, the proposed change is not designed to address any competitive issues. Indeed, this proposal does not create an unnecessary or inappropriate inter-market burden on competition because it merely amends the requirements for voluntary termination of rights as a Member and conforms to the requirements of the Exchange's affiliated options exchanges, Cboe Options and C2, as well as at least one other exchange.¹¹ Finally, as noted above, the Exchange believes the proposed rule amendments will not result in any practical changes to the Exchange's disciplinary jurisdiction from an Exchange or Member perspective, given the Exchange maintains disciplinary jurisdiction over terminated Members following their termination, subject to the provisions of Rule 8.1.

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.

¹¹ Id.

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 Act¹² and Rule 19b-4(f)(6)¹³ 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 noted above, the proposed change is not designed to address any competitive issues. The proposal merely amends the requirements for voluntary termination of rights as a Member and conforms to the requirements of the Exchange's affiliated options exchanges, Cboe Options and C2, as well as at least one other exchange.¹⁴ Such consistent requirements may, in turn, simplify the termination process for members of the Exchange that are also participants on Cboe affiliated exchanges. The Exchange believes the proposed rule amendments will not result in any practical changes to the Exchange's disciplinary jurisdiction from an Exchange or Member perspective, given the Exchange

¹² 15 U.S.C. 78s(b)(3)(A).

¹³ 17 CFR 240.19b-4(f)(6).

¹⁴ See supra note 10.

maintains disciplinary jurisdiction over terminated Members following their termination, subject to the provisions of Rule 8.1. Rather, the Exchange believes the proposed amendments result in a termination process that allows for proper disciplinary jurisdiction while also ensuring that termination is not unduly prolonged due to an administrative technicality within the termination requirements, to the benefit of investors and the public interest. As noted above, the proposed change will apply uniformly to all Members that choose to voluntarily terminate their membership.

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.

(c) Not applicable.

(d) Not applicable.

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

As noted above, the proposed rule change is substantially similar to MIAX Options Exchange Rule 206, Cboe Options Rule 3.16, and C2 Rule 3.7.

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 1**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34- ; File No. SR-CboeBYX-2024-008]

[Insert date]

Self-Regulatory Organizations; Cboe BYX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend Rule 2.8, Related to the Voluntary Termination of Rights as an Exchange Member

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 BYX Exchange, Inc. (the “Exchange” or “BYX”) 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 BYX Exchange, Inc. (the “Exchange” or “BYX”) proposes to amend Rule 2.8, related to the voluntary termination of rights as an Exchange Member (“Member”).⁵

The text of the proposed rule change is provided below.

(additions are underlined; deletions are [bracketed])

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).

⁵ See Exchange Rule 1.5(n). The term “Member” is defined as “any registered broker or dealer that has been admitted to membership in the Exchange.”

* * * * *

Rules of Cboe BYX Exchange, Inc.

* * * * *

Rule 2.8. Voluntary Termination of Rights as a Member

A Member may voluntarily terminate its rights as a Member only by a written resignation addressed to the Exchange's Secretary or another officer designated by the Exchange. [Such resignation shall not take effect until 30 days after all of the following conditions have been satisfied: (i) receipt of such written resignation; (ii) all indebtedness due the Exchange shall have been paid in full; (iii) any Exchange investigation or disciplinary action brought against the Member has reached a final disposition; and (iv) any examination of such Member in process is completed and all exceptions noted have been reasonably resolved; provided, however, that the Board may declare a resignation effective at any time] Each terminating Member must promptly (a) make any outstanding filings required under the Rules, and (b) pay any outstanding fees, assessments, charges, fines, or other amounts due to the Exchange, the Commission, or the Securities Investor Protection Corporation.

* * * * *

The text of the proposed rule change is also available on the Exchange's website (http://markets.cboe.com/us/equities/regulation/rule_filings/byx/), 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 amendments to Rule 2.8 (Voluntary Termination of Rights as a Member). Rule 2.8 sets forth the requirements for a Member's voluntary termination of its rights as a Member. Currently, Rule 2.8 provides that a Member's voluntary termination of its rights as a Member shall not take effect until 30 days after all of the following conditions have been satisfied: (i) receipt of such written resignation; (ii) all indebtedness due the Exchange shall have been paid in full; (iii) any Exchange investigation or disciplinary action brought against the Member has reached a final disposition; and (iv) any examination of such Member in process is completed and all exceptions noted have been reasonably resolved. The Rule further provides that the Board may declare a resignation effective at any time.

The Exchange proposes to amend Rule 2.8 to remove conditions set forth in Rule 2.8(iii) and (iv), requiring that any Exchange investigation or disciplinary action brought against the Member has reached a final disposition and that any examination of such Member in process is completed and all exceptions noted have been reasonably resolved. The Exchange further proposes to amend Rule 2.8 to align the voluntary termination rules with that of its affiliates, Cboe Exchange, Inc. ("Cboe Options") and Cboe C2 Exchange, Inc. ("C2"). Specifically, Cboe Options Rule 3.16 and C2 Rule 3.7 require a terminating Trading Permit Holder to promptly make any outstanding filings required under the respective Rules and pay any outstanding fees, assessments, charges, fines, or other amounts due to each Exchange, the Commission, or the Securities Investor Protection Corporation. The Exchange notes that its affiliates do not maintain a 30-day notice period for terminating members, and now proposes to remove the requirement from the Exchange's Rules. Under

Rule 2.8, as amended, the Exchange would require receipt of written resignation, completion of any outstanding filings required under the Rules, and payment of any outstanding fees, assessments, charges, fines, or other amounts due to the Exchange, the Commission, or the Securities Investor Protection Corporation, in order for a Member's voluntary termination of its Member rights to take place.

The Exchange notes that, under Rule 8.1(b), any Member or person associated with a Member shall continue to be subject to the disciplinary jurisdiction of the Exchange following the termination of such person's membership or association with a Member with respect to matters that occurred prior to such termination, provided that written notice of the commencement of an inquiry into such matters is given by the Exchange to such former Member or former associated person within one year of receipt by the Exchange of the latest written notice of the termination of such person's status as a Member or person associated with a Member.⁶ Thus, notwithstanding the proposed amendments to Rule 2.8, the Exchange continues to, under Rule 8.1, maintain disciplinary jurisdiction for matters relevant to any in-process examinations or investigations or disciplinary actions brought against a Member that voluntarily terminates its membership rights under Rule 2.8, as amended, so long as the Exchange provides written notice to the former Member (or associated person) within one year of receipt of written notice of termination.⁷

⁶ The notice requirement does not apply to a person who at any time after a termination again subjects himself or herself to the disciplinary jurisdiction of the Exchange by becoming a Member or a person associated with a Member.

⁷ For the avoidance of doubt, if a Member voluntarily terminates its membership rights under Rule 2.8, as amended, while an examination or investigation or disciplinary action is in-process, the Exchange will continue to maintain disciplinary jurisdiction over the Member following their termination, subject to the provisions of Rule 8.1.

As such, the Exchange believes the proposed amendments will not result in any practical changes to the Exchange's disciplinary jurisdiction from an Exchange or Member perspective. Rather, the proposed amendments are designed to facilitate a more efficient voluntary termination process, by allowing Members to terminate their Member status and therefore cease being subject to Member obligations notwithstanding any ongoing disciplinary actions and exams (which may continue for an indeterminate period of time), given the Exchange, via Rule 8.1, maintains jurisdiction over the firm following such termination for disciplinary matters.

Further, the Exchange notes there is no provision under the Securities Exchange Act of 1934 (the "Act") which requires that termination be conditioned on final disposition or exam completion. As noted above, the proposed rule change aligns the Exchange's voluntary termination requirements with those of its affiliates, Cboe Options and C2. Under Cboe Options Rule 3.16 (Obligations of Terminating TPHs), each terminating Trading Permit Holder is obligated to promptly (i) return to the Exchange all Exchange badges, including trading and access badges, that were issued to the Trading Permit Holder by the Exchange with respect to that Trading Permit Holder's terminating Trading Permit Holder status, (ii) make any outstanding filings required under Exchange rules, and (iii) pay any outstanding fees, assessments, charges, fines, or other amounts due to the Exchange, the Securities and Exchange Commission, or the Securities Investor Protection Corporation.⁸ The Exchange further notes that at least one other exchange has

⁸ Cboe Options Rule 3.1(c)(1) requires a Trading Permit Holder seeking to terminate that holder's Trading Permit must notify the Exchange, prior to the deadline announced by the Exchange and in a form and manner prescribed by the Exchange, that the holder is terminating that Trading Permit at the end of its term.

similar obligations for terminating members, in that it does not require that termination be conditioned on final disposition or exam completion.⁹

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.¹⁰ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹¹ 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)¹² requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers. The Exchange also believes the proposed rule change is consistent with Section 6(b)(1) of the Act,¹³ 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

⁹ See MIA X Options Exchange Rule 206 (Obligations of Terminating Members).

¹⁰ 15 U.S.C. 78f(b).

¹¹ 15 U.S.C. 78f(b)(5).

¹² Id.

¹³ 15 U.S.C. 78f(b)(1).

its Members with the Act, the rules and regulations thereunder, and the rules of the Exchange.

In particular, the Exchange believes the proposed amendments to the conditional requirements for voluntary termination of Membership will make the termination process more efficient by allowing Members to terminate their Member status and therefore cease being subject to Member obligations notwithstanding any ongoing disciplinary actions and exams (which may continue for an indeterminate period of time), given the Exchange maintains jurisdiction over the firm following such termination for disciplinary matters under Exchange Rules. The Exchange believes the proposed amendments result in a termination process that allows for proper disciplinary jurisdiction while also ensuring that termination is not unduly prolonged due to an administrative technicality within the termination requirements, to the benefit of investors and the public interest. Further, the Exchange believes the proposed changes will serve to avoid wasting Member and Exchange resources on maintaining memberships that are no longer utilized, but unable to be terminated due to ongoing disciplinary action or examination process.

As noted above, the Exchange continues to maintain disciplinary jurisdiction over terminated firms following termination for matters that occurred prior to termination, provided written notice of the commencement of an inquiry into such matters is provided to the terminated Member within one year of the Member's written notice of termination. Therefore, the Exchange believes that the termination requirements set forth in Rule 2.8(iii) and (iv) are unnecessarily duplicative, given the Exchange maintains disciplinary jurisdiction over terminated members via Rule 8.1(b) with respect to matters that occurred prior to such termination, thereby ensuring the Exchange may continue 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.

Further, the Exchange believes the proposed rule changes are just, equitable and not unfairly discriminatory because they conform to the process used by its affiliated options exchange, thereby providing consistency across the Cboe family options exchanges in regards to termination requirements. Such consistent requirements may, in turn, simplify the termination process for members of the Exchange that are also participants on Cboe affiliated exchanges. The Exchange believes this consistency will promote a fair and orderly national options market system.

The proposed changes also apply uniformly to all Members that may choose to voluntarily terminate their membership. As noted above, in addition to the Exchange's affiliates, at least one other exchange also has similar termination requirements as those proposed by the Exchange.¹⁴ As such, the proposed rule change would foster cooperation and coordination with persons engaged in facilitating transactions in securities and would remove impediments to and perfect the mechanism of a free and open market and a national market system.

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. This proposal does not create an unnecessary or inappropriate intra-market burden on competition because the proposed change will apply uniformly to all Members that choose to voluntarily terminate their membership. Further, the proposed change is

¹⁴ See supra note 9. See also Cboe Options Rule 3.16 and C2 Rule 3.7.

not designed to address any competitive issues. Indeed, this proposal does not create an unnecessary or inappropriate inter-market burden on competition because it merely amends the requirements for voluntary termination of rights as a Member and conforms to the requirements of the Exchange's affiliated options exchanges, Cboe Options and C2, as well as at least one other exchange.¹⁵ Finally, as noted above, the Exchange believes the proposed rule amendments will not result in any practical changes to the Exchange's disciplinary jurisdiction from an Exchange or Member perspective, given the Exchange maintains disciplinary jurisdiction over terminated Members following their termination, subject to the provisions of Rule 8.1.

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 Act¹⁶ and Rule 19b-4(f)(6)¹⁷ thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may

¹⁵ Id.

¹⁶ 15 U.S.C. 78s(b)(3)(A).

¹⁷ 17 CFR 240.19b-4(f)(6).

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 (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-CboeBYX-2024-008 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-CboeBYX-2024-008. 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 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, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-CboeBYX-2024-008 and should be submitted on or before [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁸

Sherry R. Haywood,

Assistant Secretary.

¹⁸

17 CFR 200.30-3(a)(12).