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Page 1 of * 34		SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4		File No. * SR 2024 - * 010 Amendment No. (req. for Amendments *)	
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"/>	
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 its rules regarding early termination of complex order auctions.</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 * Laura Last Name * Dickman Title * VP, Associate General Counsel E-mail * ldickman@cboe.com Telephone * (312) 786-7572 Fax					
Signature Pursuant to the requirements of the Securities Exchange of 1934, Cboe EDGX Exchange, Inc. has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized. Date 01/25/2024 (Title *) By Laura G. Dickman (Name *) VP, Associate General Counsel 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>Laura Dickman Date: 2024.01.25 16:08:36 -06'00'</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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24-010 19b-4 (Early Auction Termini

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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24-010 Exhibit 1 (Early Auction Termini

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.

☐

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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24-010 Exhibit 5 (Early Auction Termini

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 Options”) proposes to amend its rules regarding early termination of complex order auctions. 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 December 27, 2023.

(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 Laura G. Dickman, (312) 786-7572, Cboe EDGX Exchange, Inc., 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 to amend certain of its rules regarding the early termination of complex order auctions. The Exchange offers several auction mechanisms for complex orders, including the Complex Order Auction (“COA”),¹ the Complex Automated Improvement Mechanism (“C-AIM”),² and the Complex Solicitation Auction Mechanism (“C-SAM”).³ The Rules regarding each of these complex order auction mechanisms

¹ See Rule 21.20(d).

² See Rule 21.22.

³ See Rule 21.23.

contain provisions that describe what events may cause the applicable auction to terminate prior to the end of the auction timer.⁴ These provisions generally correspond to the pricing requirements to begin an auction. Terminating the auction if one of these events occurs ensures that the auction will not continue if the market changes in a manner that would create a situation in which the auction would not have been permitted to begin.

COA

COA is a single-sided auction in which an eligible order will be exposed for price improvement. Specifically, upon receipt of a COA-eligible order,⁵ the System sends a COA auction message to subscribers of data feeds that deliver COA auction messages, which message identifies certain terms of the COA-eligible order. To be COA-eligible, a buy (sell) order must, among other things, have a price equal to or higher (lower) than the synthetic best offer (bid) (“SBO (SBB)”), provided that if any of the bids or offers on the simple book that comprise the SBB (SBO) is represented by a Priority Customer order,⁶ the price must be at least \$0.01 higher (lower) than the SBB (SBO).⁷ Corresponding to this requirement, current Rule 21.20(d)(3)(B) and (C) provide, respectively, that a COA will terminate prior to the end of the COA auction timer:

- when the System receives an order in a leg of the complex order that would improve the SBBO on the same side as the COA-eligible order that

⁴ See Rules 21.20(d)(3), 21.22(d)(1), and 21.23(d)(1).

⁵ See Rule 21.20(b) (definition of COA-eligible order).

⁶ A “Priority Customer” means a person or entity that is not: (a) a broker or dealer in securities or (b) a Professional. A “Public Customer” means a person that is not a broker or dealer in securities, and a “Professional” means any person or entity that (a) is not a broker or dealer in securities and (b) places more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s). See Rule 16.1 (definitions of Priority Customer, Public Customer, and Professional).

⁷ See Rule 21.20(b) (definition of COA-eligible order).

initiated the COA to a price equal to or better than the COA price, in which case the System terminates the COA and processes the COA-eligible order pursuant to subparagraph (5) below, posts the new order in the simple book, and updates the SBBO; or

- if the System receives a Priority Customer Order that would join or improve the SBBO on the same side as the COA in progress to a price equal to or better than the COA price, in which case the System terminates the COA and processes the COA-eligible order pursuant to subparagraph (5) below, posts the new order in the simple book, and updates the SBBO.

The Exchange proposes to amend Rule 21.20(d)(3)(B) and (C) to provide that any incoming order may cause the SBBO to change in a manner that causes a COA auction to terminate early. Specifically, the proposed rule change amends these subparagraphs (B) and (C) to provide as follows:

- when the System receives an order in a leg of the complex order that would improve the SBBO on the same side as the COA-eligible order that initiated the COA to a price better than the COA price, in which case the System terminates the COA and processes the COA-eligible order pursuant to Rule 21.20(d)(5), posts the new order to the Simple Book, and updates the SBBO; or
- if the System receives an order in a leg of the complex order that would join or improve the SBBO on the same side as the COA-eligible order that initiated the COA to a price equal to the COA price and cause any component of the SBBO to be represented by a Priority Customer, in which case the System terminates the COA

and processes the COA-eligible order pursuant to Rule 21.20(d)(5), posts the new order to the Simple Book, and updates the SBBO.

Pursuant to the proposed change to subparagraph (B), a COA will continue to terminate early if the Exchange receives any simple order (Priority or non-Priority Customer) that would cause the SBBO to be better than the auction price (as covered by current subparagraphs (B) and (C)). Pursuant to the proposed change to subparagraph (C), a COA will terminate early if the Exchange receives any simple order (not just a Priority Customer order as set forth in current subparagraph (C)) that would cause the SBBO to be equal to the auction price and have the best bid or offer (“BBO”) of a leg represented by a Priority Customer order.

C-AIM and C-SAM

C-AIM permits a Member to submit for execution a complex order it represents as agent (“Agency Order”) against principal or solicited interest (an “Initiating Order”) that stops the entire Agency Order at a price that satisfies specified criteria.⁸ Similarly, C-SAM permits a Member to submit for execution an Agency Order against an Initiating Order (that, unlike for C-AIM, may only be solicited) that stops the entire Agency Order at a price that satisfies specified criteria.⁹ With respect to both C-AIM and C-SAM, the stop price (also referred to in this rule filing as the auction price) for the buy (sell) Agency Order must, among other things:

⁸ See generally Rule 21.22; see also Rule 21.22(a) (C-AIM auction eligibility requirements) and (b) (C-AIM stop price requirements).

⁹ See generally Rule 21.23; see also Rule 21.23(a) (C-SAM auction eligibility requirements) and (b) (C-SAM stop price requirements). The primary differences between C-AIM and C-SAM are that (a) the minimum size (as determined by the Exchange) of an order submitted into C-SAM cannot be smaller than 500 option contracts on the smallest leg, while the minimum size of a C-AIM order may not be smaller than one contract (compare Rules 21.22(a)(3) and 21.23(a)(3)) and (b) and that execution of orders submitted into C-SAM are handled as all-or-none orders.

- with respect to same-side simple orders, be (a) at least one minimum increment better than the SBB (SBO) if the applicable side of the BBO on any component of the complex strategy is represented by a Priority Customer order on the simple book; or (b) at or better than the SBB (SBO) if the applicable side of the BBO of each component of the complex strategy is represented by a non-Priority Customer order or quote on the simple book; and
- with respect to opposite-side simple orders, be (a) at least one minimum increment better than the SBO (SBB) if the BBO of any component of the complex strategy is represented by a Priority Customer order on the simple book; or (b) at or better than the SBO (SBB) if the BBO of each component of the complex strategy represents a non-Priority Customer quote or order on the simple book.¹⁰

Corresponding to these requirements, current Rules 21.22(d)(1)(d), (e), and (f) and 21.23(d)(1)(d), (e), and (f)¹¹ provide that a C-AIM or C-SAM auction, respectively, will terminate prior to the end of the C-AIM or C-SAM, as applicable, auction timer:

- upon receipt by the System of an unrelated non-Priority Customer order or quote that would post to the simple book and cause the SBBO on the same side as the Agency Order to be better than the stop price;
- upon receipt by the System of an unrelated Priority Customer order in any component of the complex strategy that would post to the simple book and cause the

¹⁰ See Rules 21.22(b)(1) and (3) and 21.23(b)(1) and (3).

¹¹ The proposed rule change capitalizes the lettering of the subparagraphs in Rules 21.22(d)(1) and 21.23(d)(1) to conform to the lettering used throughout the Rulebook.

SBBO on the same side as the Agency Order to be equal to or better than the stop price; or

- upon receipt by the System of a simple non-Priority Customer order that would cause the SBBO on the opposite side of the Agency Order to be better than the stop price, or a Priority Customer order that would cause the SBBO on the opposite side of the Agency Order to be equal to or better than the stop price.

The Exchange proposes to amend Rules 21.22(d)(1)(d), (e), and (f) ((D) and (E) as proposed) and 21.23(d)(1)(d), (e), and (f) ((D) and (E) as proposed) to provide that any incoming order may cause the SBBO to change in a manner that causes a C-AIM or C-SAM auction, respectively, to terminate early. Specifically, the proposed rule change amends these Rule provisions to state the following:

(D) upon receipt by the System of an unrelated order or quote that would post to the Simple Book and cause the SBBO on the same side as the Agency Order to be (i) better than the stop price, or (ii) equal to the stop price if any component of the SBBO is then represented by a Priority Customer;

(E) upon receipt by the System of an unrelated order that would post to the Simple Book and cause the SBBO on the opposite side of the Agency Order to be (i) better than the stop price, or (ii) equal to the stop price if any component of the SBBO is then represented by a Priority Customer;

Pursuant to the proposed subparagraph (D)(i) of each of Rules 21.22(d)(1) and 21.23(d)(1), a C-AIM or C-SAM will continue to terminate early if the Exchange receives any simple order (Priority or non-Priority Customer) that would cause the SBBO on the same side as the Agency Order to be better than the auction price (as covered by current subparagraphs (d) and (e)). Additionally, pursuant to the proposed subparagraph (D)(ii) of each of Rules 21.22(d)(1) and 21.23(d)(1), a C-AIM or C-SAM will terminate early if the Exchange receives any simple order (not just a Priority Customer order as set

forth in current subparagraph (e)) that would cause the SBBO on the same side as the Agency Order to be equal to the auction price if any component of the SBBO is then represented by a Priority Customer order. Similarly, pursuant to proposed subparagraph (E)(i) of each of Rules 21.22(d)(1) and 21.23(d)(1), a C-AIM or C-SAM will continue to terminate early if the Exchange receives any simple order (Priority or non-Priority Customer) that would cause the SBBO on the opposite side of the Agency Order to be better than the auction price (as covered by current subparagraph (f)). Additionally, pursuant to proposed subparagraph (E)(ii) of each of Rules 21.22(d)(1) and 21.23(d)(1), a C-AIM or C-SAM will terminate early if the Exchange receives any simple order (not just a Priority Customer order as set forth in current subparagraph (f)) that would cause the SBBO on the opposite side of the Agency Order to be equal to the auction price if any component of the SBBO is then represented by a Priority Customer order.

Purpose of Proposed Rule Changes

One purpose of the COA, C-AIM, and C-SAM auction price requirements is to protect interest on the simple book, including Priority Customer interest, as execution of the auction or Agency order, as applicable, could not occur at a price outside the SBBO or at the same price as the SBBO if it includes simple Priority Customer interest on any leg. The purpose of early termination provisions corresponding to those auction price requirements is to terminate an auction if the market changes in a manner that would create a situation in which the auction would not have been permitted to begin. The current early termination provisions for COA provide that a COA will terminate early if the Exchange system receives (1) a simple order that would cause the SBBO on the same side as the auctioned order to be equal to or better than the auction price or (2) a simple Priority Customer order

on the same side that would cause the SBBO on the same side as the auctioned order to be equal to or better than the auction price.¹² Similarly, the current early termination provisions for C-AIM and C-SAM provide that a C-AIM or C-SAM auction will terminate early if the Exchange system receives (1) a simple non-Priority Customer order that would cause the SBBO on the same side as the auctioned order to be better than the auction price, (2) a simple Priority Customer order that would cause the SBBO on the same side as the auctioned order to be equal to or better than the auction price, or (3) a simple non-Priority Customer order that would cause the SBBO on the opposite side of the auctioned order to be better than the auction price, or a simple Priority Customer Order that would cause the SBBO on the opposite side of the auctioned order to be equal to or better than the auction price. Ultimately, all of these provisions cover the scenarios in which the applicable auction would terminate early if the System receives any simple order that would cause the SBBO to be better than the auction price or a simple Priority Customer order that would cause the SBBO to equal the auction price. However, they do not cover the scenario in which the applicable auction would terminate early if the System receives a simple non-Priority Customer order that would cause the SBBO to equal the auction price and any component of the SBBO includes Priority Customer interest. The proposed changes to each of the COA, C-AIM, and C-SAM early termination provisions add this scenario. This situation addressed by the proposed changes could occur, for example, if there was a Priority Customer order representing the BBO of one leg of the component strategy at the beginning of the auction but the auction price was better than the SBBO (and thus the auction was able to begin), and an incoming order (Priority or non-Priority Customer) that arrives during the

¹² See current Rule 21.20(d)(3)(B) and (C).

auction causes the SBBO to change such that the SBBO equals the auction price. The Exchange believes these proposed changes will further protect Priority Customer orders on the simple book by ensuring that no execution within COA, C-AIM, or C-SAM will occur at a price that equals the SBBO (on the applicable side) if the SBBO includes Priority Customer interest, regardless of what type of incoming order (Priority Customer or non-Priority Customer) updates the SBBO to equal the auction price.

(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.¹³

Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹⁴ 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)¹⁵ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

¹³ 15 U.S.C. 78f(b).

¹⁴ 15 U.S.C. 78f(b)(5).

¹⁵ Id.

In particular, the Exchange believes the proposed rule change will remove impediments to and perfect the mechanism of a free and open market and protect investors, because it will update scenarios that will cause complex auctions to terminate early in a manner that protects interest resting on the simple book, including Priority Customer interest. The proposed changes to each of the COA, C-AIM, and C-SAM early termination provisions add the scenario in which the applicable auction will terminate early if the Exchange receives a non-Priority Customer order that would cause the SBBO to be equal to the auction price and any component of the SBBO is represented by a Priority Customer order. These proposed changes will eliminate a current gap in current Rules, which contemplate only that an incoming Priority Customer order could cause the SBBO to improve to a price equal to the auction price. These proposed rule changes increase consistency among the auction price requirement and early termination provisions, thus removing impediments to a free and open market. As a result, the Exchange believes the proposed rule change will further protect Priority Customer orders on the simple book by ensuring that no execution within a COA, C-AIM, or C-SAM auction will occur at a price that equals the SBBO (on the applicable side) if any component of the SBBO is represented by a Priority Customer, regardless of what type of incoming order (Priority Customer or non-Priority Customer) updates the SBBO, which ultimately protects investors and the public interest.

The Exchange believes the proposed nonsubstantive changes to capitalize the lettering of the subparagraphs in Rules 21.22(d)(1) and 21.23(d)(1) will benefit investors, as it will conform to the lettering used throughout the Rulebook and thus eliminate potential investor confusion.

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 does not believe that the proposed rule change will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act, as the proposed changes will apply to all Members in the same manner. The Exchange does not believe that the proposed rule change will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act, as it relates solely to provisions regarding when complex auctions occurring on the Exchange may terminate early. The proposed rule changes are not intended to be competitive.

Additionally, the proposed nonsubstantive changes are not competitive and merely conform subparagraph lettering to the lettering used throughout the Rulebook.

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 Act¹⁶ and Rule 19b-4(f)(6)¹⁷ 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 Exchange believes the proposed rule change does not significantly affect the protection of investors or the public interest, because it will update scenarios that will cause complex auctions to terminate early in a manner that protects interest resting on the simple book, including Priority Customer interest. The proposed changes to each of the COA, C-AIM, and C-SAM early termination provisions add the scenario in which the applicable auction will terminate early if the Exchange receives a non-Priority Customer order that would cause the SBBO to be equal to the auction price and any component of the SBBO is represented by a Priority Customer order. These proposed changes will

¹⁶ 15 U.S.C. 78s(b)(3)(A).

¹⁷ 17 CFR 240.19b-4(f)(6).

eliminate a current gap in current Rules, which contemplate only that an incoming Priority Customer order could cause the SBBO to improve to a price equal to the auction price. These proposed rule changes increase consistency among the auction price requirement and early termination provisions. As a result, the Exchange believes the proposed rule change will further protect Priority Customer orders on the simple book by ensuring that no execution within COA, C-AIM, or C-SAM will occur at a price that equals the SBBO (on the applicable side) if any component of the SBBO is represented by a Priority Customer, regardless of what type of incoming order caused the change in the SBBO. The Exchange also believes the proposed rule change does not impose any significant burden on intramarket competition, because it will apply to all Members in the same manner. The proposed rule change relates solely to provisions regarding when complex auctions occurring on the Exchange may terminate early and is not intended to be competitive, and therefore does not impose any significant burden on intermarket competition.

The Exchange believes the proposed nonsubstantive changes to capitalize the lettering of the subparagraphs in Rules 21.22(d)(1) and 21.23(d)(1) does not significantly affect the protection of investors or the public interest or impose any significant burden on competition, as it merely conforms lettering used in that Rule to the lettering used throughout the Rulebook. This change does not impact any trading and is not intended to be competitive. The Exchange believes this proposed rule change may eliminate potential investor confusion.

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

The proposed rule change is substantively identical to Cboe Options, Inc. (“Cboe Options”) Rules 5.33(d)(3), 5.38(d)(1), and 5.40(d)(1). The proposed rule change is substantially identical to the recent Cboe Options rule filing to make the same changes as those proposed in this filing.¹⁸

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.

¹⁸ See Securities Exchange Act Release No. 98502 (September 25, 2023), 88 FR 67408 (September 29, 2023) (SR-CBOE-2023-051).

EXHIBIT 1**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34- ; File No. SR-CboeEDGX-2024-010]

[Insert date]

Self-Regulatory Organizations; Cboe EDGX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend its Rules Regarding Early Termination of Complex Order Auctions

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 Options”) proposes to amend its rules regarding early termination of complex order auctions. 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 amend certain of its rules regarding the early termination of complex order auctions. The Exchange offers several auction mechanisms for complex orders, including the Complex Order Auction ("COA"),⁵ the Complex Automated Improvement Mechanism ("C-AIM"),⁶ and the Complex Solicitation Auction Mechanism ("C-SAM").⁷ The Rules regarding each of these complex order auction mechanisms contain provisions that describe what events may cause the applicable auction to terminate prior to the end of the auction timer.⁸ These provisions generally correspond to the pricing requirements to begin an auction. Terminating the auction if one of these events occurs

⁵ See Rule 21.20(d).

⁶ See Rule 21.22.

⁷ See Rule 21.23.

⁸ See Rules 21.20(d)(3), 21.22(d)(1), and 21.23(d)(1).

ensures that the auction will not continue if the market changes in a manner that would create a situation in which the auction would not have been permitted to begin.

COA

COA is a single-sided auction in which an eligible order will be exposed for price improvement. Specifically, upon receipt of a COA-eligible order,⁹ the System sends a COA auction message to subscribers of data feeds that deliver COA auction messages, which message identifies certain terms of the COA-eligible order. To be COA-eligible, a buy (sell) order must, among other things, have a price equal to or higher (lower) than the synthetic best offer (bid) (“SBO (SBB)”), provided that if any of the bids or offers on the simple book that comprise the SBB (SBO) is represented by a Priority Customer order,¹⁰ the price must be at least \$0.01 higher (lower) than the SBB (SBO).¹¹ Corresponding to this requirement, current Rule 21.20(d)(3)(B) and (C) provide, respectively, that a COA will terminate prior to the end of the COA auction timer:

- when the System receives an order in a leg of the complex order that would improve the SBBO on the same side as the COA-eligible order that initiated the COA to a price equal to or better than the COA price, in which case the System terminates the COA and processes the COA-eligible order pursuant to

⁹ See Rule 21.20(b) (definition of COA-eligible order).

¹⁰ A “Priority Customer” means a person or entity that is not: (a) a broker or dealer in securities or (b) a Professional. A “Public Customer” means a person that is not a broker or dealer in securities, and a “Professional” means any person or entity that (a) is not a broker or dealer in securities and (b) places more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s). See Rule 16.1 (definitions of Priority Customer, Public Customer, and Professional).

¹¹ See Rule 21.20(b) (definition of COA-eligible order).

subparagraph (5) below, posts the new order in the simple book, and updates the SBBO; or

- if the System receives a Priority Customer Order that would join or improve the SBBO on the same side as the COA in progress to a price equal to or better than the COA price, in which case the System terminates the COA and processes the COA-eligible order pursuant to subparagraph (5) below, posts the new order in the simple book, and updates the SBBO.

The Exchange proposes to amend Rule 21.20(d)(3)(B) and (C) to provide that any incoming order may cause the SBBO to change in a manner that causes a COA auction to terminate early. Specifically, the proposed rule change amends these subparagraphs (B) and (C) to provide as follows:

- when the System receives an order in a leg of the complex order that would improve the SBBO on the same side as the COA-eligible order that initiated the COA to a price better than the COA price, in which case the System terminates the COA and processes the COA-eligible order pursuant to Rule 21.20(d)(5), posts the new order to the Simple Book, and updates the SBBO; or
- if the System receives an order in a leg of the complex order that would join or improve the SBBO on the same side as the COA-eligible order that initiated the COA to a price equal to the COA price and cause any component of the SBBO to be represented by a Priority Customer, in which case the System terminates the COA and processes the COA-eligible order pursuant to Rule 21.20(d)(5), posts the new order to the Simple Book, and updates the SBBO.

Pursuant to the proposed change to subparagraph (B), a COA will continue to terminate early if the Exchange receives any simple order (Priority or non-Priority Customer) that would cause the SBBO to be better than the auction price (as covered by current subparagraphs (B) and (C)). Pursuant to the proposed change to subparagraph (C), a COA will terminate early if the Exchange receives any simple order (not just a Priority Customer order as set forth in current subparagraph (C)) that would cause the SBBO to be equal to the auction price and have the best bid or offer (“BBO”) of a leg represented by a Priority Customer order.

C-AIM and C-SAM

C-AIM permits a Member to submit for execution a complex order it represents as agent (“Agency Order”) against principal or solicited interest (an “Initiating Order”) that stops the entire Agency Order at a price that satisfies specified criteria.¹² Similarly, C-SAM permits a Member to submit for execution an Agency Order against an Initiating Order (that, unlike for C-AIM, may only be solicited) that stops the entire Agency Order at a price that satisfies specified criteria.¹³ With respect to both C-AIM and C-SAM, the stop price (also referred to in this rule filing as the auction price) for the buy (sell) Agency Order must, among other things:

- with respect to same-side simple orders, be (a) at least one minimum increment better than the SBB (SBO) if the applicable side of the BBO on any

¹² See generally Rule 21.22; see also Rule 21.22(a) (C-AIM auction eligibility requirements) and (b) (C-AIM stop price requirements).

¹³ See generally Rule 21.23; see also Rule 21.23(a) (C-SAM auction eligibility requirements) and (b) (C-SAM stop price requirements). The primary differences between C-AIM and C-SAM are that (a) the minimum size (as determined by the Exchange) of an order submitted into C-SAM cannot be smaller than 500 option contracts on the smallest leg, while the minimum size of a C-AIM order may not be smaller than one contract (compare Rules 21.22(a)(3) and 21.23(a)(3)) and (b) and that execution of orders submitted into C-SAM are handled as all-or-none orders.

component of the complex strategy is represented by a Priority Customer order on the simple book; or (b) at or better than the SBB (SBO) if the applicable side of the BBO of each component of the complex strategy is represented by a non-Priority Customer order or quote on the simple book; and

- with respect to opposite-side simple orders, be (a) at least one minimum increment better than the SBO (SBB) if the BBO of any component of the complex strategy is represented by a Priority Customer order on the simple book; or (b) at or better than the SBO (SBB) if the BBO of each component of the complex strategy represents a non-Priority Customer quote or order on the simple book.¹⁴

Corresponding to these requirements, current Rules 21.22(d)(1)(d), (e), and (f) and 21.23(d)(1)(d), (e), and (f)¹⁵ provide that a C-AIM or C-SAM auction, respectively, will terminate prior to the end of the C-AIM or C-SAM, as applicable, auction timer:

- upon receipt by the System of an unrelated non-Priority Customer order or quote that would post to the simple book and cause the SBBO on the same side as the Agency Order to be better than the stop price;
- upon receipt by the System of an unrelated Priority Customer order in any component of the complex strategy that would post to the simple book and cause the SBBO on the same side as the Agency Order to be equal to or better than the stop price; or
- upon receipt by the System of a simple non-Priority Customer order that would cause the SBBO on the opposite side of the Agency Order to be better than the stop

¹⁴ See Rules 21.22(b)(1) and (3) and 21.23(b)(1) and (3).

¹⁵ The proposed rule change capitalizes the lettering of the subparagraphs in Rules 21.22(d)(1) and 21.23(d)(1) to conform to the lettering used throughout the Rulebook.

price, or a Priority Customer order that would cause the SBBO on the opposite side of the Agency Order to be equal to or better than the stop price.

The Exchange proposes to amend Rules 21.22(d)(1)(d), (e), and (f) ((D) and (E) as proposed) and 21.23(d)(1)(d), (e), and (f) ((D) and (E) as proposed) to provide that any incoming order may cause the SBBO to change in a manner that causes a C-AIM or C-SAM auction, respectively, to terminate early. Specifically, the proposed rule change amends these Rule provisions to state the following:

(D) upon receipt by the System of an unrelated order or quote that would post to the Simple Book and cause the SBBO on the same side as the Agency Order to be (i) better than the stop price, or (ii) equal to the stop price if any component of the SBBO is then represented by a Priority Customer;

(E) upon receipt by the System of an unrelated order that would post to the Simple Book and cause the SBBO on the opposite side of the Agency Order to be (i) better than the stop price, or (ii) equal to the stop price if any component of the SBBO is then represented by a Priority Customer;

Pursuant to the proposed subparagraph (D)(i) of each of Rules 21.22(d)(1) and 21.23(d)(1), a C-AIM or C-SAM will continue to terminate early if the Exchange receives any simple order (Priority or non-Priority Customer) that would cause the SBBO on the same side as the Agency Order to be better than the auction price (as covered by current subparagraphs (d) and (e)). Additionally, pursuant to the proposed subparagraph (D)(ii) of each of Rules 21.22(d)(1) and 21.23(d)(1), a C-AIM or C-SAM will terminate early if the Exchange receives any simple order (not just a Priority Customer order as set forth in current subparagraph (e)) that would cause the SBBO on the same side as the Agency Order to be equal to the auction price if any component of the SBBO is then represented by a Priority Customer order. Similarly, pursuant to proposed subparagraph (E)(i) of each of Rules 21.22(d)(1) and 21.23(d)(1), a C-AIM or C-SAM will continue to

terminate early if the Exchange receives any simple order (Priority or non-Priority Customer) that would cause the SBBO on the opposite side of the Agency Order to be better than the auction price (as covered by current subparagraph (f)). Additionally, pursuant to proposed subparagraph (E)(ii) of each of Rules 21.22(d)(1) and 21.23(d)(1), a C-AIM or C-SAM will terminate early if the Exchange receives any simple order (not just a Priority Customer order as set forth in current subparagraph (f)) that would cause the SBBO on the opposite side of the Agency Order to be equal to the auction price if any component of the SBBO is then represented by a Priority Customer order.

Purpose of Proposed Rule Changes

One purpose of the COA, C-AIM, and C-SAM auction price requirements is to protect interest on the simple book, including Priority Customer interest, as execution of the auction or Agency order, as applicable, could not occur at a price outside the SBBO or at the same price as the SBBO if it includes simple Priority Customer interest on any leg. The purpose of early termination provisions corresponding to those auction price requirements is to terminate an auction if the market changes in a manner that would create a situation in which the auction would not have been permitted to begin. The current early termination provisions for COA provide that a COA will terminate early if the Exchange system receives (1) a simple order that would cause the SBBO on the same side as the auctioned order to be equal to or better than the auction price or (2) a simple Priority Customer order on the same side that would cause the SBBO on the same side as the auctioned order to be equal to or better than the auction price.¹⁶ Similarly, the current early termination provisions for C-AIM and C-SAM provide that a C-AIM or C-SAM

¹⁶ See current Rule 21.20(d)(3)(B) and (C).

auction will terminate early if the Exchange system receives (1) a simple non-Priority Customer order that would cause the SBBO on the same side as the auctioned order to be better than the auction price, (2) a simple Priority Customer order that would cause the SBBO on the same side as the auctioned order to be equal to or better than the auction price, or (3) a simple non-Priority Customer order that would cause the SBBO on the opposite side of the auctioned order to be better than the auction price, or a simple Priority Customer Order that would cause the SBBO on the opposite side of the auctioned order to be equal to or better than the auction price. Ultimately, all of these provisions cover the scenarios in which the applicable auction would terminate early if the System receives any simple order that would cause the SBBO to be better than the auction price or a simple Priority Customer order that would cause the SBBO to equal the auction price. However, they do not cover the scenario in which the applicable auction would terminate early if the System receives a simple non-Priority Customer order that would cause the SBBO to equal the auction price and any component of the SBBO includes Priority Customer interest. The proposed changes to each of the COA, C-AIM, and C-SAM early termination provisions add this scenario . This situation addressed by the proposed changes could occur, for example, if there was a Priority Customer order representing the BBO of one leg of the component strategy at the beginning of the auction but the auction price was better than the SBBO (and thus the auction was able to begin), and an incoming order (Priority or non-Priority Customer) that arrives during the auction causes the SBBO to change such that the SBBO equals the auction price. The Exchange believes these proposed changes will further protect Priority Customer orders on the simple book by ensuring that no execution within COA, C-AIM, or C-SAM will

occur at a price that equals the SBBO (on the applicable side) if the SBBO includes Priority Customer interest, regardless of what type of incoming order (Priority Customer or non-Priority Customer) updates the SBBO to equal the auction price.

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.¹⁷

Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹⁸ 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)¹⁹ 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 protect investors, because it will update scenarios that will cause complex auctions to terminate early in a manner that protects interest resting on the simple book, including Priority

¹⁷ 15 U.S.C. 78f(b).

¹⁸ 15 U.S.C. 78f(b)(5).

¹⁹ Id.

Customer interest. The proposed changes to each of the COA, C-AIM, and C-SAM early termination provisions add the scenario in which the applicable auction will terminate early if the Exchange receives a non-Priority Customer order that would cause the SBBO to be equal to the auction price and any component of the SBBO is represented by a Priority Customer order. These proposed changes will eliminate a current gap in current Rules, which contemplate only that an incoming Priority Customer order could cause the SBBO to improve to a price equal to the auction price. These proposed rule changes increase consistency among the auction price requirement and early termination provisions, thus removing impediments to a free and open market. As a result, the Exchange believes the proposed rule change will further protect Priority Customer orders on the simple book by ensuring that no execution within a COA, C-AIM, or C-SAM auction will occur at a price that equals the SBBO (on the applicable side) if any component of the SBBO is represented by a Priority Customer, regardless of what type of incoming order (Priority Customer or non-Priority Customer) updates the SBBO, which ultimately protects investors and the public interest.

The Exchange believes the proposed nonsubstantive changes to capitalize the lettering of the subparagraphs in Rules 21.22(d)(1) and 21.23(d)(1) will benefit investors, as it will conform to the lettering used throughout the Rulebook and thus eliminate potential investor confusion.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe that the proposed rule change will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of

the purposes of the Act, as the proposed changes will apply to all Members in the same manner. The Exchange does not believe that the proposed rule change will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act, as it relates solely to provisions regarding when complex auctions occurring on the Exchange may terminate early. The proposed rule changes are not intended to be competitive.

Additionally, the proposed nonsubstantive changes are not competitive and merely conform subparagraph lettering to the lettering used throughout the Rulebook.

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 Act²⁰ and Rule 19b-4(f)(6)²¹ 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

²⁰ 15 U.S.C. 78s(b)(3)(A).

²¹ 17 CFR 240.19b-4(f)(6).

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-CboeEDGX-2024-010 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-2024-010. 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-CboeEDGX-2024-010 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.²²

Sherry R. Haywood,

Assistant Secretary.

²²

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

EXHIBIT 5

(additions are underlined; deletions are [bracketed])

* * * * *

Rules of Cboe EDGX Exchange, Inc.

* * * * *

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.

(a) – (c) No change.

(d) *Complex Order Auctions (COAs)*.

(1) – (2) No change.

(3) *Response Time Interval*. The “Response Time Interval” means the period of time during which Users may submit responses to the COA auction message (“COA Responses”). The Exchange determines the duration of the Response Time Interval, which may not exceed 500 milliseconds. However, the Response Time Interval terminates prior to the end of that time duration:

(A) No change.

(B) when the System receives an order in a leg of the complex order that would improve the SBBO on the same side as the COA-eligible order that initiated the COA to a price [equal to or] better than the COA price, in which case the System terminates the COA and processes the COA-eligible order pursuant to subparagraph (5) below, posts the new order to the Simple Book, and updates the SBBO; or

(C) if the System receives an [Priority Customer O]order in a leg of the complex order that would join or improve the SBBO on the same side as the COA-eligible order that initiated the COA [in progress] to a price equal to [or better than] the COA price and cause any component of the SBBO to be represented by a Priority Customer, in which case the System terminates the COA and processes the COA-eligible order pursuant to subparagraph (5) below, posts the new order to the Simple Book, and updates the SBBO.

* * * * *

Rule 21.22. Complex Automated Improvement Mechanism (“C-AIM” or “C-AIM Auction”)

An Options Member (the “Initiating Member”) may electronically submit for execution a complex order it represents as agent (“Agency Order”) against principal interest or a solicited complex order(s) (an “Initiating Order”) provided it submits the Agency Order for electronic execution into a C-AIM Auction pursuant to this Rule. For purposes of this Rule, the term “SBBO” means the synthetic best bid or offer at the particular point in time applicable to the reference, and the term “Initial SBBO” means the synthetic best bid or offer at the time the C-AIM Auction is initiated.

(a) – (c) No change.

(d) *Conclusion of C-AIM Auction.*

(1) A C-AIM Auction concludes at the earliest to occur of the following times:

([a]A) the end of the C-AIM Auction period;

([b]B) upon receipt by the System of an unrelated non-Priority Customer complex order on the same side as the Agency Order that would post to the COB at a price better than the stop price;

([c]C) upon receipt by the System of an unrelated Priority Customer complex order on the same side as the Agency Order that would post to the COB at a price equal to or better than the stop price;

([d]D) upon receipt by the System of an unrelated [non-Priority Customer] order or quote that would post to the Simple Book and cause the SBBO on the same side as the Agency Order to be (i) better than the stop price, or (ii) equal to the stop price if any component of the SBBO is then represented by a Priority Customer;

([e]) upon receipt by the System of an unrelated Priority Customer order in any component of the complex strategy that would post to the Simple Book and cause the SBBO on the same side as the Agency Order to be equal to or better than the stop price;]

([f]E) upon receipt by the System of an unrelated [simple non-Priority Customer] order that would post to the Simple Book and cause the SBBO on the opposite side of the Agency Order to be (i) better than the stop price, or [a Priority Customer order that would cause the SBBO on the opposite side of the Agency Order to be] (ii) equal to [or better than] the stop price if any component of the SBBO is then represented by a Priority Customer;

([g]F) upon receipt by the System of an order that would cause the SBBO to be a price not permissible under the Limit Up-Limit Down Plan or Regulation SHO,

provided, however, that in such instance, the C-AIM Auction concludes without execution;

([h]G) the market close; and

([i]H) any time the Exchange halts trading in the complex strategy or any component of the complex strategy, provided, however, that in such instance, the C-AIM Auction concludes without execution.

* * * * *

Rule 21.23. Complex Solicitation Auction Mechanism (“C-SAM” or “C-SAM Auction”)

An Options Member (the “Initiating Member”) may electronically submit for execution a complex order it represents as agent (“Agency Order”) against a solicited complex order(s) (which cannot have a Capacity of F for the same EFID as the Agency Order) (“Solicited Order”) if it submits the Agency Order for electronic execution into a C-SAM Auction pursuant to this Rule. The Agency Order and Solicited Order cannot both be for the accounts of Priority Customers. For purposes of this Rule, the term “SBBO” means the synthetic best bid or offer on the Exchange at the particular point in time applicable to the reference.

(a) – (c) No change.

(d) *Conclusion of C-SAM Auction.*

(1) A C-SAM Auction concludes at the earliest to occur of the following times:

([a]A) the end of the C-SAM Auction period;

([b]B) upon receipt by the System of an unrelated non-Priority Customer complex order on the same side as the Agency Order that would post to the COB at a price better than the stop price;

([c]C) upon receipt by the System of an unrelated Priority Customer complex order on the same side as the Agency Order that would post to the COB at a price equal to or better than the stop price;

([d]D) upon receipt by the System of an unrelated [non-Priority Customer] order or quote that would post to the Simple Book and cause the SBBO on the same side as the Agency Order to be (i) better than the stop price, or (ii) equal to the stop price if any component of the SBBO is then represented by a Priority Customer;

[(e) upon receipt by the System of an unrelated Priority Customer order in any component of the complex strategy that would post to the Simple Book and cause

the SBBO on the same side as the Agency Order to be equal to or better than the stop price;]

([f]E) upon receipt by the System of an unrelated [simple non-Priority Customer] order that would post to the Simple Book and cause the SBBO on the opposite side of the Agency Order to be (i) better than the stop price, or [a Priority Customer order that would cause the SBBO on the opposite side of the Agency Order to be] (ii) equal to [or better than] the stop price if any component of the SBBO is then represented by a Priority Customer;

([g]E) upon receipt by the System of an order that would cause the SBBO to be a price not permissible under the Limit Up-Limit Down Plan or Regulation SHO, provided, however, that in such instance, the C-SAM Auction concludes without execution;

([h]G) the market close; and

([i]H) any time the Exchange halts trading in the complex strategy or any component of the complex strategy, provided, however, that in such instance, the C-SAM Auction concludes without execution.

* * * * *