

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 2025 - * 165 Amendment No. (req. for Amendments *)	
Filing by Cboe BZX Exchange, Inc. Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934					
Initial * ☒		Amendment * ☐		Withdrawal ☐	
Section 19(b)(2) * ☐		Section 19(b)(3)(A) * ☒		Section 19(b)(3)(B) * ☐	
Pilot ☐		Extension of Time Period for Commission Action * ☐		Date Expires * 	
		Rule			
		☐ 19b-4(f)(1)		☐ 19b-4(f)(4)	
		☐ 19b-4(f)(2)		☐ 19b-4(f)(5)	
		☐ 19b-4(f)(3)		☒ 19b-4(f)(6)	
Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010 Section 806(e)(1) * ☐			Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934 Section 3C(b)(2) * ☐		
Exhibit 2 Sent As Paper Document ☐			Exhibit 3 Sent As Paper Document ☐		
Description Provide a brief description of the action (limit 250 characters, required when Initial is checked *). The Exchange proposes to amend Rule 11.9 to clarify Pegged Order operation.					
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 * Courtney Last Name * Smith Title * Senior Counsel E-mail * csmith@cboe.com Telephone * (913) 815-7046 Fax					
Signature Pursuant to the requirements of the Securities Exchange of 1934, Cboe BZX Exchange, Inc. has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized. Date 12/16/2025 (Title *) By Matthew Iwamaye VP, Associate General Counsel (Name *) 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. Matthew Iwamaye Date: 2025.12.16 09:31:32 -06'00'					

Required fields are shown with yellow backgrounds and astericks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information *

Add	Remove	View
BZX-25-165 19b-4 (Pegged Order Bel		

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 *

Add	Remove	View
BZX-25-165 Exhibit 1 (Pegged Order		

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 *

Add	Remove	View

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

Add	Remove	View

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

Add	Remove	View

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

Add	Remove	View

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

Exhibit 5 - Proposed Rule Text

Add	Remove	View
BZX-25-165 Exhibit 5 (Pegged Order E		

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

Add	Remove	View

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

Item 1. Text of the Proposed Rule Change

(a) Cboe BZX Exchange, Inc. (the “Exchange” or “BZX”) proposes to amend Rule 11.9(c)(8) to clarify Pegged Order operation and to align BZX Rule 11.9(c)(8) with the corresponding rule of its affiliate exchanges, Cboe EDGA Exchange, Inc. (“EDGA”) and Cboe EDGX Exchange, Inc. (“EDGX”). The text of the proposed rule change is provided in Exhibit 5.

The Exchange has designated the proposed rule change as non-controversial and provided the Commission with the notice required by Rule 19b-4(f)(6)(iii) under the Act.¹

(b) Not applicable.

(c) Not applicable.

Item 2. Procedures of the Self-Regulatory Organization

(a) The Exchange’s President (or designee) pursuant to delegated authority approved the proposed rule change on November 11, 2025.

(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 Courtney Smith, Senior Counsel, (913) 222-4652, Cboe BZX 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 Rule 11.9(c)(8) to clarify Pegged Order operation and to align BZX Rules with the rules of its affiliate exchanges in order to

¹ 17 CFR 240.19b-4(f)(6)(iii).

provide consistency amongst the Exchange and its affiliates. The Exchange notes that the proposed rule text is based on EDGA/EDGX Rule 11.6(j) and is different only to the extent necessary to conform to the Exchange's current rules.² The proposed amendment does not propose to implement new or unique functionality that has not been previously filed with the Commission or is not available on EDGA or EDGX.

By way of background, Exchange Rule 11.9, Orders and Modifiers, lists and describes the types of orders Users³ may enter into the System,⁴ including Pegged Orders as described in Exchange Rule 11.9(c)(8). A Pegged Order⁵ is a limit order that after entry into the System, the price of the order is automatically adjusted by the System in response to changes in the NBBO.⁶ A Pegged Order will peg to the NBB or NBO or a certain amount away from the NBB⁷ or NBO,⁸ as described in Exchange Rules 11.9(c)(8)(A) and 11.9(c)(8)(B). Pegged Orders are not eligible for routing pursuant to Exchange Rule 11.13(b).⁹ A new time stamp is created for a Pegged Order each time it is automatically adjusted.¹⁰

² To the extent a proposed rule change is based on existing EDGA and EDGX Rules, the language of the EDGA, EDGX, and Exchange Rules may differ to extent necessary to conform with existing Exchange rule text or to account for details or descriptions included in the Exchange Rules but not currently included in EDGA and EDGX Rules based on the current structure of such rules.

³ See Exchange Rule 1.5(cc). A "User" is defined as "any Member or Sponsored Participant who is authorized to obtain access to the System pursuant to Rule 11.3."

⁴ See Exchange Rule 1.5(aa). The "System" is defined as "the electronic communications and trading facility designated by the Board through which securities orders of Users are consolidated for ranking, execution and, when applicable, routing away."

⁵ See Rule 11.9(c)(8).

⁶ See Rule 1.5(o). The term "NBBO" shall mean the national best bid or offer.

⁷ See Rule 1.5(o). The term "NBB" shall mean the national best bid.

⁸ See Rule 1.5(o). The term "NBO" shall mean the national best offer.

⁹ See Rule 11.9(c)(8).

¹⁰ Id.

A Pegged Order may be a Primary Pegged Order or a Market Pegged Order.¹¹ A Primary Pegged Order will have its price pegged by the System to the NBB, for a buy order, or the NBO for a sell order.¹² A User may, but is not required to, specify that such order's price will offset the inside quote on the same side of the market by an amount set by the User (the "Primary Offset Amount").¹³ A Primary Pegged Order is eligible to be displayed or non-displayed, however, the Primary Offset Amount for a displayed Primary Pegged Order must result in the price of such order being inferior to or equal to the inside quote on the same side of the market.¹⁴ A displayed Primary Pegged Order with a Primary Offset Amount shall only include a time-in-force of RHO,¹⁵ or if entered during Regular Trading Hours,¹⁶ a time-in-force of Day.¹⁷

A Market Pegged Order has its price pegged by the System to the NBB, for a sell order, or the NBO, for a buy order.¹⁸ A User entering a Market Pegged Order can specify that such order's price will offset the inside quote on the contra side of the market by an

¹¹ Id.

¹² See Rule 11.9(c)(8)(A).

¹³ Id.

¹⁴ Id.

¹⁵ See Rule 11.9(b)(7). A time-in-force of Regular Hours Only ("RHO") may be applied to a limit or market order that is designated for execution only during Regular Trading Hours, which includes the Opening Auction, the Closing Auction, and IPO/Halt Auctions for BZX listed securities and the Opening Process for non-BZX-listed securities (as such terms are defined in Rule 11.23 and 11.24). Any portion of a market RHO order will be cancelled immediately following any auction in which it is not executed.

¹⁶ See Rule 1.5(w). The term "Regular Trading Hours" means the time between 9:30 a.m. and 4:00 p.m. Eastern Time.

¹⁷ See Rule 11.8(b)(2). A time-in-force of Day may be applied to a limit order to buy or sell, which, if not executed, expires at the end of Regular Trading Hours. Any Day Order entered into the System before the opening of business on the Exchange as determined pursuant to Rule 11.1, or after the closing of Regular Trading Hours, will be rejected.

¹⁸ See Rule 11.9(c)(8)(B).

amount set by the User (the “Offset Amount”).¹⁹ A Market Pegged Order is not eligible to be displayed on the Exchange.²⁰

Now, the Exchange proposes to amend the description of a Pegged Order under Rule 11.9(c)(8) to align with EDGA/EDGX Rule 11.6(j) and to clarify that a Pegged Order will not be eligible for execution where the NBB or NBO, as applicable, is no longer available. Further, the proposed rule text will provide that a new timestamp is created for an order that has been ineligible for execution and again becomes eligible for execution because the NBB or NBO it is pegged to becomes available.

Currently, when the NBB or NBO becomes unavailable, a Pegged Order is cancelled back to the User. As proposed, instead of being cancelled back to the User, a Pegged Order will remain on the BZX Book. When the NBB or NBO that the Pegged Order is pegged to becomes available again, the order will receive a new time stamp and be eligible for execution. The proposed rule change provides additional detail with regard to the operation of Pegged Orders when the NBB or NBO, as applicable, is unavailable, that is currently not included in Exchange Rule 11.9(c). This proposed rule change does not propose to implement new or unique functionality that has not been previously filed with the Commission or is not available on EDGA or EDGX.

(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.²¹

¹⁹ Id.

²⁰ Id.

²¹ 15 U.S.C. 78f(b).

Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)²² 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)²³ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers. The proposed rule change is designed to support the principles of Section 11A(a)(1)²⁴ of the Act in that it seeks to assure fair competition among brokers and dealers and among exchange markets.

The proposed rule change is intended to more thoroughly describe Pegged Order operation and to align BZX Rules with the rules of its affiliate exchanges in order to provide consistent offerings amongst the Exchange and its affiliates, which the Exchange believes is designed to remove impediments to and perfect the mechanism of a free and open market and a national market system, thereby protecting investors and the public interest. Consistency amongst the rules of the Exchange and its affiliates, in turn, will promote rule compliance for Users of the Exchange that are also participants on EDGA and/or EDGX. The proposed rule change does not propose to implement new or unique functionality that has not been previously filed with the Commission or is not described

²² 15 U.S.C. 78f(b)(5).

²³ Id.

²⁴ 15 U.S.C. 78k-1(a)(1).

in the rules of its affiliate exchanges. By aligning BZX Rules with the rules of EDGA and EDGX, the Exchange believes the proposed rule change will remove impediments to the mechanism of a free and open market and protect investors by providing investors with increased transparency regarding rules that reflect the behavior of Pegged Order on the Exchange when the NBB or NBO, as applicable, becomes unavailable. As a result, the Exchange's proposal will promote just and equitable principles of trade and remove impediments to and perfect the mechanism of a free and open market and a national market system. Additionally, the proposal does not permit unfair discrimination among customers, brokers, or dealers because the proposed Pegged Order behavior will apply to all Users equally in that any User's Pegged Order will become non-executable in the event that the NBB or NBO, as applicable, becomes unavailable and a Pegged Order will receive a new timestamp when the NBB or NBO becomes available and the order again becomes eligible for execution.

As described above, the proposed amendment is designed to ensure clarity in the Exchange's rulebook with respect to the operation of Pegged Orders in the event that the NBB or NBO, as applicable, becomes unavailable. The Exchange notes that the proposed amendment is based on EDGA/EDGX Rule 11.6(j) and is different only to the extent necessary to conform to the Exchange's current rules. Thus, the proposed amendment to Rule 11.9(c)(8) is directly targeted at removing impediments to and perfecting the mechanism of a free and open market and national market system, as well as to assure fair competition among brokers and dealers and among exchange markets.

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 notes that the proposed amendment to clarify Pegged Order behavior will provide consistent offerings amongst the Exchange and its affiliates. The Exchange does not believe the proposed change will have any impact on intermarket competition as the proposal is not being made for competitive reasons, but rather to align the text of BZX Rule 11.9(c)(8) with the corresponding rule text of its affiliate exchanges. In addition, the Exchange believes the proposed rule change will benefit all Users in that Users will have a more complete understanding of Pegged Order behavior when the NBB or NBO, as applicable, becomes unavailable. The proposed rule change will apply equally to all Users of Pegged Orders.

The Exchange does not believe that the proposed amendments will impose any burden on intra-market competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange provides services in a highly competitive market in which participants may avail themselves of a wide variety of order types and order operations offered by self-regulatory organizations, other broker-dealers, market participants' own proprietary routing systems, and service bureaus. In such an environment, more detailed descriptions of the types of orders Users may enter into the System, such as the changes proposed in this rule filing do not burden competition, because they can succeed in attracting order flow to the Exchange only if they offer investors higher quality and better value than services offered by others. The Exchange reiterates that the proposed rule change to clarify Pegged Order behavior is being proposed in an effort to add consistency to offerings across the Exchange and its affiliates.

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 the Act²⁵ and Rule 19b-4(f)(6)²⁶ 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.²⁷

As described below, the Exchange notes that the proposed change to describe Pegged Order behavior in the event that the NBB or NBO, as applicable, becomes

²⁵ 15 U.S.C. 78s(b)(3)(A).

²⁶ 17 C.F.R. 240.19b-4(f)(6).

²⁷ 17 C.F.R. 240.19b-4(f)(6)(iii).

unavailable is directly based on the rules of its affiliate exchanges, EDGA and EDGX, and will eliminate potential confusion in the Exchange's Rules. Therefore, the proposed rule change does not present any unique or novel issues not previously considered by the Commission, and the Exchange has accordingly designated this rule filing as non-controversial under Section 19(b)(3)(A) of the Act²⁸ and paragraph (f)(6) of Rule 19b-4 thereunder.²⁹ As described above, the proposed rule change to describe Pegged Order behavior in the event that the NBB or NBO, as applicable, becomes unavailable and to align BZX Rule 11.9(c)(8) with EDGA and EDGX Rule 11.6(j) will promote consistency and will eliminate any potential confusion as to how Pegged Orders behave when the NBB or NBO, as applicable, becomes unavailable.

For the foregoing reasons, this rule filing qualifies as a "non-controversial" rule change under Rule 19b-4(f)(6)(iii), 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.

²⁸ 15 U.S.C. 78s(b)(3)(A).

²⁹ 17 C.F.R. 240.19b-4.

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

The proposed rule change to clarify that an order with a Pegged instruction is not eligible for execution if an NBB or NBO, as applicable, is no longer available is based on EDGA/EDGX Rules 11.6(j).

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

Not applicable.

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

Not applicable.

Item 11. Exhibits

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

Exhibit 5. Proposed rule text.

EXHIBIT 1**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34- ; File No. SR-CboeBZX-2025-165]

[Insert date]

Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend Exchange Rule 11.9(c)(8) to Clarify Pegged Order Operation and to Align BZX Rule 11.9(c)(8) with the Corresponding Rule of its Affiliate Exchanges, Cboe EDGA Exchange, Inc. (“EDGA”) and Cboe EDGX Exchange, Inc. (“EDGX”)

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on [insert date], Cboe BZX Exchange, Inc. (the “Exchange” or “BZX”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Exchange filed the proposal as a “non-controversial” proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act³ and Rule 19b-4(f)(6) thereunder.⁴ The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

Cboe BZX Exchange, Inc. (“BZX” or the “Exchange”) is filing with the Securities and Exchange Commission (the “Commission”) a proposed rule change to amend Rule 11.9(c)(8) to clarify Pegged Order operation and to align BZX Rule

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).

11.9(c)(8) with the corresponding rule of its affiliate exchanges, Cboe EDGA Exchange, Inc. (“EDGA”) and Cboe EDGX Exchange, Inc. (“EDGX”). The text of the proposed rule changes is in Exhibit 5.

The text of the proposed rule change is also available on the Commission’s website (<https://www.sec.gov/rules/sro.shtml>), the Exchange’s website (https://www.cboe.com/us/equities/regulation/rule_filings/bzx/), and at the principal office of the Exchange.

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 Rule 11.9(c)(8) to clarify Pegged Order operation and to align BZX Rules with the rules of its affiliate exchanges in order to provide consistency amongst the Exchange and its affiliates. The Exchange notes that the proposed rule text is based on EDGA/EDGX Rule 11.6(j) and is different only to the extent necessary to conform to the Exchange’s current rules.⁵ The proposed amendment

⁵ To the extent a proposed rule change is based on existing EDGA and EDGX Rules, the language of the EDGA, EDGX, and Exchange Rules may differ to extent necessary to conform with existing Exchange rule text or to account for details or descriptions included in the Exchange Rules but not currently included in EDGA and EDGX Rules based on the current structure of such

does not propose to implement new or unique functionality that has not been previously filed with the Commission or is not available on EDGA or EDGX.

By way of background, Exchange Rule 11.9, Orders and Modifiers, lists and describes the types of orders Users⁶ may enter into the System,⁷ including Pegged Orders as described in Exchange Rule 11.9(c)(8). A Pegged Order⁸ is a limit order that after entry into the System, the price of the order is automatically adjusted by the System in response to changes in the NBBO.⁹ A Pegged Order will peg to the NBB or NBO or a certain amount away from the NBB¹⁰ or NBO,¹¹ as described in Exchange Rules 11.9(c)(8)(A) and 11.9(c)(8)(B). Pegged Orders are not eligible for routing pursuant to Exchange Rule 11.13(b).¹² A new time stamp is created for a Pegged Order each time it is automatically adjusted.¹³

A Pegged Order may be a Primary Pegged Order or a Market Pegged Order.¹⁴ A Primary Pegged Order will have its price pegged by the System to the NBB, for a buy order, or the NBO for a sell order.¹⁵ A User may, but is not required to, specify that such

rules.

⁶ See Exchange Rule 1.5(cc). A “User” is defined as “any Member or Sponsored Participant who is authorized to obtain access to the System pursuant to Rule 11.3.”

⁷ See Exchange Rule 1.5(aa). The “System” is defined as “the electronic communications and trading facility designated by the Board through which securities orders of Users are consolidated for ranking, execution and, when applicable, routing away.”

⁸ See Rule 11.9(c)(8).

⁹ See Rule 1.5(o). The term “NBBO” shall mean the national best bid or offer.

¹⁰ See Rule 1.5(o). The term “NBB” shall mean the national best bid.

¹¹ See Rule 1.5(o). The term “NBO” shall mean the national best offer.

¹² See Rule 11.9(c)(8).

¹³ Id.

¹⁴ Id.

¹⁵ See Rule 11.9(c)(8)(A).

order's price will offset the inside quote on the same side of the market by an amount set by the User (the "Primary Offset Amount").¹⁶ A Primary Pegged Order is eligible to be displayed or non-displayed, however, the Primary Offset Amount for a displayed Primary Pegged Order must result in the price of such order being inferior to or equal to the inside quote on the same side of the market.¹⁷ A displayed Primary Pegged Order with a Primary Offset Amount shall only include a time-in-force of RHO,¹⁸ or if entered during Regular Trading Hours,¹⁹ a time-in-force of Day.²⁰

A Market Pegged Order has its price pegged by the System to the NBB, for a sell order, or the NBO, for a buy order.²¹ A User entering a Market Pegged Order can specify that such order's price will offset the inside quote on the contra side of the market by an amount set by the User (the "Offset Amount").²² A Market Pegged Order is not eligible to be displayed on the Exchange.²³

¹⁶ Id.

¹⁷ Id.

¹⁸ See Rule 11.9(b)(7). A time-in-force of Regular Hours Only ("RHO") may be applied to a limit or market order that is designated for execution only during Regular Trading Hours, which includes the Opening Auction, the Closing Auction, and IPO/Halt Auctions for BZX listed securities and the Opening Process for non-BZX-listed securities (as such terms are defined in Rule 11.23 and 11.24). Any portion of a market RHO order will be cancelled immediately following any auction in which it is not executed.

¹⁹ See Rule 1.5(w). The term "Regular Trading Hours" means the time between 9:30 a.m. and 4:00 p.m. Eastern Time.

²⁰ See Rule 11.8(b)(2). A time-in-force of Day may be applied to a limit order to buy or sell, which, if not executed, expires at the end of Regular Trading Hours. Any Day Order entered into the System before the opening of business on the Exchange as determined pursuant to Rule 11.1, or after the closing of Regular Trading Hours, will be rejected.

²¹ See Rule 11.9(c)(8)(B).

²² Id.

²³ Id.

Now, the Exchange proposes to amend the description of a Pegged Order under Rule 11.9(c)(8) to align with EDGA/EDGX Rule 11.6(j) and to clarify that a Pegged Order will not be eligible for execution where the NBB or NBO, as applicable, is no longer available. Further, the proposed rule text will provide that a new timestamp is created for an order that has been ineligible for execution and again becomes eligible for execution because the NBB or NBO it is pegged to becomes available.

Currently, when the NBB or NBO becomes unavailable, a Pegged Order is cancelled back to the User. As proposed, instead of being cancelled back to the User, a Pegged Order will remain on the BZX Book. When the NBB or NBO that the Pegged Order is pegged to becomes available again, the order will receive a new time stamp and be eligible for execution. The proposed rule change provides additional detail with regard to the operation of Pegged Orders when the NBB or NBO, as applicable, is unavailable, that is currently not included in Exchange Rule 11.9(c). This proposed rule change does not propose to implement new or unique functionality that has not been previously filed with the Commission or is not available on EDGA or EDGX.

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.²⁴ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)²⁵ requirements that the rules of an exchange be designed to prevent

²⁴ 15 U.S.C. 78f(b).

²⁵ 15 U.S.C. 78f(b)(5).

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)²⁶ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers. The proposed rule change is designed to support the principles of Section 11A(a)(1)²⁷ of the Act in that it seeks to assure fair competition among brokers and dealers and among exchange markets.

The proposed rule change is intended to more thoroughly describe Pegged Order operation and to align BZX Rules with the rules of its affiliate exchanges in order to provide consistent offerings amongst the Exchange and its affiliates, which the Exchange believes is designed to remove impediments to and perfect the mechanism of a free and open market and a national market system, thereby protecting investors and the public interest. Consistency amongst the rules of the Exchange and its affiliates, in turn, will promote rule compliance for Users of the Exchange that are also participants on EDGA and/or EDGX. The proposed rule change does not propose to implement new or unique functionality that has not been previously filed with the Commission or is not described in the rules of its affiliate exchanges. By aligning BZX Rules with the rules of EDGA and EDGX, the Exchange believes the proposed rule change will remove impediments to the

²⁶ Id.

²⁷ 15 U.S.C. 78k-1(a)(1).

mechanism of a free and open market and protect investors by providing investors with increased transparency regarding rules that reflect the behavior of Pegged Order on the Exchange when the NBB or NBO, as applicable, becomes unavailable. As a result, the Exchange's proposal will promote just and equitable principles of trade and remove impediments to and perfect the mechanism of a free and open market and a national market system. Additionally, the proposal does not permit unfair discrimination among customers, brokers, or dealers because the proposed Pegged Order behavior will apply to all Users equally in that any User's Pegged Order will become non-executable in the event that the NBB or NBO, as applicable, becomes unavailable and a Pegged Order will receive a new timestamp when the NBB or NBO becomes available and the order again becomes eligible for execution.

As described above, the proposed amendment is designed to ensure clarity in the Exchange's rulebook with respect to the operation of Pegged Orders in the event that the NBB or NBO, as applicable, becomes unavailable. The Exchange notes that the proposed amendment is based on EDGA/EDGX Rule 11.6(j) and is different only to the extent necessary to conform to the Exchange's current rules. Thus, the proposed amendment to Rule 11.9(c)(8) is directly targeted at removing impediments to and perfecting the mechanism of a free and open market and national market system, as well as to assure fair competition among brokers and dealers and among exchange markets.

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 notes that the proposed amendment to clarify Pegged Order behavior

will provide consistent offerings amongst the Exchange and its affiliates. The Exchange does not believe the proposed change will have any impact on intermarket competition as the proposal is not being made for competitive reasons, but rather to align the text of BZX Rule 11.9(c)(8) with the corresponding rule text of its affiliate exchanges. In addition, the Exchange believes the proposed rule change will benefit all Users in that Users will have a more complete understanding of Pegged Order behavior when the NBB or NBO, as applicable, becomes unavailable. The proposed rule change will apply equally to all Users of Pegged Orders.

The Exchange does not believe that the proposed amendments will impose any burden on intra-market competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange provides services in a highly competitive market in which participants may avail themselves of a wide variety of order types and order operations offered by self-regulatory organizations, other broker-dealers, market participants' own proprietary routing systems, and service bureaus. In such an environment, more detailed descriptions of the types of orders Users may enter into the System, such as the changes proposed in this rule filing do not burden competition, because they can succeed in attracting order flow to the Exchange only if they offer investors higher quality and better value than services offered by others. The Exchange reiterates that the proposed rule change to clarify Pegged Order behavior is being proposed in an effort to add consistency to offerings across the Exchange and its affiliates.

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 Act²⁸ and Rule 19b-4(f)(6)²⁹ thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

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

²⁸ 15 U.S.C. 78s(b)(3)(A).

²⁹ 17 CFR 240.19b-4(f)(6).

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-CboeBZX-2025-165 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-CboeBZX-2025-165. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<https://www.sec.gov/rules/sro.shtml>). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-CboeBZX-2025-165 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.³⁰

Sherry R. Haywood,

Assistant Secretary.

³⁰

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

EXHIBIT 5

(additions are underlined; deletions are [bracketed])

* * * * *

Rules of Cboe BZX Exchange, Inc.

* * * * *

Rule 11.9. Orders and Modifiers

Users may enter into the System the types of orders listed in this Rule 11.9, subject to the limitations set forth in this Rule or elsewhere in these Rules.

(a) – (b) No change.

(c) *Other Types of Orders.*

(1) – (7) No change.

(8) *Pegged Order.* A limit order that after entry into the System, the price of the order is automatically adjusted by the System in response to changes in the NBBO. A Pegged Order will peg to the NBB or NBO or a certain amount away from the NBB or NBO, as described below. An order with a Pegged instruction will not be eligible for execution when the NBB or NBO that it is pegged to is no longer available. Pegged Orders are not eligible for routing pursuant to Rule 11.13(b). A new timestamp is created for a Pegged Order each time it is automatically adjusted, including when an order that has been ineligible for execution again becomes eligible for execution because the NBB or NBO it is pegged to becomes available.

* * * * *