

Required fields are shown with yellow backgrounds and asterisks.

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 19b-4

File No. * SR 2026 - * 034

Amendment No. (req. for Amendments *)

Filing by Cboe 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"/>
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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)		
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Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010
Section 806(e)(1) *

Section 806(e)(2) *

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 the permissible exercise settlement values for binary options.

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 * Last Name *

Title *

E-mail *

Telephone * Fax

Signature

Pursuant to the requirements of the Securities Exchange of 1934, Cboe Exchange, Inc. has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

Date (Title *)

By (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.

Laura Dickman Date: 2026.04.09 10:21:16 -05'00'

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 *

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26-034 19b-4 (Binary Exercise Settlen

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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26-034 Exhibit 1 (Binary Exercise Sett

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

Add Remove View

26-034 Exhibit 5 (Binary Exercise Sett

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 Exchange, Inc. (the “Exchange” or “Cboe Options”) proposes to amend the definition of “exercise settlement amount” applicable to binary options. 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 April 1, 2026.

(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 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 its Rules related to binary options.¹ Binary options are based on the same framework as traditional, standardized options traded on the Exchange, except the payout of a binary option is an amount contingent upon the occurrence of the option being in- or at-the-money rather than the degree to which the option is in-the-money. As a result, payout at expiration of a binary option is an all-or-nothing occurrence. Current Rule 4.16 permits the Exchange to list binary options on

¹ The Exchange does not currently list binary options but intends to begin listing binary options in upcoming months.

broad-based indexes.² Rule 4.16(b) defines a binary option as a European-style option contract having an exercise settlement amount that is established at the creation of the option. The exercise settlement amount for a binary option is the amount of cash that a holder will receive upon exercise of the contract. The exercise settlement amount is a set amount equal to the exercise settlement value multiplied by the contract multiplier. The exercise settlement value will be an amount determined by the Exchange on a class-by-class basis and shall be equal to \$10 or \$1,000 or a value between those values, unless otherwise adjusted per Rule 4.6.³ The contract multiplier is the multiple applied to the exercise settlement value to arrive at the total exercise settlement amount per contract, which is established on a class-by-class basis and shall be at least one.⁴ Binary options are paid out if the settlement value⁵ of the underlying broad-based index equals, exceeds, or is less than the exercise price, depending on the type of option (i.e., call or put). A call binary option is an option contract that returns an exercise settlement amount if the settlement

² Pursuant to Rule 4.16(a), Rule 4.16 applies to binary options only, and all Rules apply to the trading of binary options, except as otherwise provided or the context otherwise requires.

³ Pursuant to Rule 4.16(f), binary option contracts are subject to adjustment only in accordance with and to the extent specified in the By-Laws and Rules of The Options Clearing Corporation (“OCC”).

⁴ See Rule 4.16(b) (definition of “contract multiplier”).

⁵ The settlement value for a binary option is the value of the underlying broad-based index that is used to determine whether a binary option is in, at, or out of the money. For binary options on a broad-based index on which traditional options on the same broad-based index are A.M.-settled, the “settlement value” is the reported opening level of such index as derived from the prices of the underlying securities on such day and as reported by the Reporting Authority for the index. For binary options on a broad-based index on which traditional options on the same broad-based index are P.M.-settled, the “settlement value” is the reported closing level of such index as derived from the prices of the underlying securities on such day and as reported by the Reporting Authority for the index. See current Rule 4.16(b) (definition of “settlement value”). Binary options that are “at-the-money,” “in-the-money,” or “out-of-the-money” are a function of the settlement value of the underlying broad-based index in relation to the type of binary option (i.e., put or call) and the exercise price. See current Rule 4.16(e).

value of the underlying broad-based index is at or above the exercise price⁶ at expiration (i.e., in- or at-the-money), while a put binary option is an option contract that returns an exercise settlement amount if the settlement value of the underlying broad-based index is below the exercise price at expiration (i.e., in-the-money).⁷ The Exchange designates binary options as to expiration date, exercise price, exercise settlement amount, contract multiplier, and underlying broad-based index.⁸

As noted above, current Rule 4.16(b) permits the exercise settlement value for a binary option to be an amount determined by the Exchange on a class-by-class basis equal to between \$10 and \$1,000. Given the exercise settlement amount for a binary option equals the exercise settlement value multiplied by the contract multiplier (which must be at least 1), the current minimum permissible exercise settlement amount for a binary option is therefore \$10 (if the multiplier for a binary option was 1 and the Exchange determined the exercise settlement value to be \$10). The Exchange proposes to reduce the minimum exercise settlement value for a binary option to be \$1, making the minimum permissible exercise settlement amount for a binary option to be \$1 (if the multiplier for a binary option was 1 and the Exchange determined the exercise settlement value to be \$1). As the standard multiplier for traditional options is 100, the proposed rule change would permit the Exchange to list a binary option with the typical multiplier of 100 to have an exercise settlement amount of \$100 (i.e., 100 multiplier and exercise settlement value of \$1).

⁶ With respect to a binary option, the exercise price is the value to which the settlement value of the underlying broad-based index is compared to determine whether the holder of a binary option is entitled to have the option be paid out. See Rule 4.16(b) (definition of “exercise price”).

⁷ See Rule 4.16(b) (definitions of “call binary option” and “put binary option”).

⁸ See Rule 4.16(c)(2).

(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.⁹ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹⁰ requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹¹ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, the Exchange believes the proposed rule change will promote just and equitable principles of trade, remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, protect investors and the public interest because it expands the range of permissible payout amounts for binary options, notably for binary options with the standard multiplier for traditional options is 100. Currently, if the Exchange listed a binary option with a 100 multiplier, the lowest

⁹ 15 U.S.C. 78f(b).

¹⁰ 15 U.S.C. 78f(b)(5).

¹¹ Id.

permissible exercise settlement amount would be \$1,000 (i.e., 100 multiplier times \$10 exercise settlement value). The proposed rule change would permit the Exchange to apply a standard 100 multiplier to a binary option so the exercise settlement amount could be as low as \$100. The Exchange believes it would benefit investors to slightly increase the range of permissible exercise settlement values (and thus exercise settlement amounts) for binary options with a 100 multiplier given investors' familiarity with that multiplier.¹² The proposed rule change would merely reduce the permissible lowest possible exercise settlement amount for a binary option from \$10 to \$1, which is a minor change in a range that currently has no maximum, as the Rules apply no maximum multiplier. Additionally, as the purpose of the proposed rule change is to permit a \$100 exercise settlement amount for binary options with the standard 100 multiplier, the Exchange notes current Rules of the Exchange already permit an exercise settlement amount of \$100 (e.g., a binary option could have a multiplier of 1 and an exercise settlement value of \$100, or a multiplier of 10 and an exercise settlement value of \$10,). The proposed rule change merely permits the Exchange to determine such an exercise settlement amount using a more common multiplier with which investors are generally more familiar. As is the case for any binary option, the exercise settlement amount will be known to investors in advance, and they can determine whether to trade a binary option with that exercise settlement amount.

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

¹² Investors are familiar with options with a multiplier of 100 because that is the multiplier for all equity and index options listed on the Exchange (except for nanos). See Product Specifications, available at <https://www.cboe.com/tradable-products/product-list>.

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, because any exercise settlement value amount determined by the Exchange for a binary option will apply to all Trading Permit Holders in the same manner (as the exercise settlement amount based on that exercise settlement value paid to any holder of that binary option upon exercise of the contract will be the same amount). The Exchange does not believe that the proposed rule change will impose any burden on intermarket competition because the rules of other exchanges currently permit an exercise settlement amount of \$100 for binary options with multipliers of 100,¹³ and the proposed rule change will permit the Exchange to list binary options with the same multiplier and exercise settlement amount. Further, other exchanges that permit the listing of binary options on indexes may amend their rules to permit the same exercise settlement value if they choose.¹⁴

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 written comments on the proposed rule change.

¹³ See NYSE American, LLC (“NYSE American”) Section 17, Rule 900 (definitions of “Finish High” and “Finish Low”, which provide that an options contract returns \$100 if it is in-the-money). While this rule applies to binary options on equities and the Exchange’s Rules apply to binary options on indexes, binary equity options function in substantially the same manner as binary index options and result in a payout of a settlement amount if the option is in-the-money, and the Exchange believes it is appropriate to permit the Exchange to designate similar payout amounts for binary options with the same common multiplier of 100 despite the difference in the underlying.

¹⁴ The Exchange notes this payout amount is the same as the payout amount for products structured in substantively the same manner as binary options that are listed on other market platforms not registered as national securities exchanges.

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 Act¹⁵ and Rule 19b-4(f)(6)¹⁶ 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 will not significantly affect the protection of investors or the public interest, because it expands the range of permissible payout amounts for binary options, notably for binary options with the standard multiplier for traditional options is 100. Currently, if the Exchange listed a binary option with a 100 multiplier, the lowest permissible exercise settlement amount would be \$1,000 (i.e., 100 multiplier times \$10 exercise settlement value). The proposed rule change would permit

¹⁵ 15 U.S.C. 78s(b)(3)(A).

¹⁶ 17 CFR 240.19b-4(f)(6).

the Exchange to apply a standard 100 multiplier to a binary option so the exercise settlement amount could be as low as \$100. The Exchange believes it would benefit investors to slightly increase the range of permissible exercise settlement values (and thus exercise settlement amounts) for binary options with a 100 multiplier given investors' familiarity with that multiplier.¹⁷ The proposed rule change would merely reduce the permissible lowest possible exercise settlement amount for a binary option from \$10 to \$1, which is a minor change in a range, particularly given there is currently no maximum exercise settlement amount, as the Rules apply no maximum multiplier. As is the case for any binary option, the exercise settlement amount will be known to investors in advance, and they can determine whether to trade a binary option with that exercise settlement amount.

The Exchange does not believe that the proposed rule change will impose any significant burden on competition, because any exercise settlement value amount determined by the Exchange for a binary option will apply to all Trading Permit Holders in the same manner (as the exercise settlement amount based on that exercise settlement value paid to any holder of that binary option upon exercise of the contract will be the same amount). The Exchange notes the rules of other exchanges currently permit an exercise settlement amount of \$100 for binary options with multipliers of 100,¹⁸ and the proposed

¹⁷ Investors are familiar with options with a multiplier of 100 because that is the multiplier for all equity and index options listed on the Exchange (except for nanos). See Product Specifications, available at <https://www.cboe.com/tradable-products/product-list>.

¹⁸ See NYSE American Section 17, Rule 900 (definitions of "Finish High" and "Finish Low", which provide that an options contract returns \$100 if it is in-the-money). As noted above, while this rule applies to binary options on equities and the Exchange's Rules apply to binary options on indexes, binary equity options function in substantially the same manner as binary index options and result in a payout of a settlement amount if the option is in-the-money, and the Exchange believes it is appropriate to permit the Exchange to designate similar payout amounts for binary options with the same common multiplier of 100 despite the difference in the underlying.

rule change will permit the Exchange to list binary options with the same multiplier and exercise settlement amount. Further, other exchanges that permit the listing of binary options on indexes may amend their rules to permit the same exercise settlement value if they choose.¹⁹

The proposed rule change has no impact on how binary options may trade, as it only reduces to \$1 the minimum possible exercise settlement value and thus exercise settlement amount the Exchange may determine for a binary option. This amount would be known to investors prior to their trading such a binary option. The Rules already permit a broad range of permissible exercise settlement amounts for binary options – a minimum of \$10 with no maximum (as the Rules impose no maximum multiplier) – and thus reducing the minimum permissible exercise settlement amount to \$1 is only a slight expansion of this range of possible exercise settlement amounts. Further, as noted above, the proposed rule change will permit the Exchange to apply the standard 100 multiplier to a binary option and have the exercise settlement amount for that binary option be \$100 (which exercise settlement amount would already be permissible for a binary option with a multiplier of 10 and an exercise settlement value of 10). The proposed rule change merely permits the Exchange to determine such an exercise settlement amount using a more common multiplier with which investors are generally more familiar.

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

¹⁹ The Exchange notes this payout amount is the same as the payout amount for products structured in substantively the same manner as binary options that are listed on other market platforms not registered as national securities exchanges.

change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

(c) Not applicable.

(d) Not applicable.

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

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

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

Not applicable.

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

Not applicable.

Item 11. Exhibits

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

Exhibit 5. Proposed rule text.

EXHIBIT 1**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34- ; File No. SR-CBOE-2026-034]

[Insert date]

Self-Regulatory Organizations; Cboe Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend the Definition of “Exercise Settlement Amount” Applicable to Binary Options

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 Exchange, Inc. (the “Exchange” or “Cboe Options”) 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 Exchange, Inc. (the “Exchange” or “Cboe Options”) proposes to amend the definition of “exercise settlement amount” applicable to binary options. The text of the proposed rule change is provided 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

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).

(https://www.cboe.com/us/options/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 its Rules related to binary options.⁵ Binary options are based on the same framework as traditional, standardized options traded on the Exchange, except the payout of a binary option is an amount contingent upon the occurrence of the option being in- or at-the-money rather than the degree to which the option is in-the-money. As a result, payout at expiration of a binary option is an all-or-nothing occurrence. Current Rule 4.16 permits the Exchange to list binary options on broad-based indexes.⁶ Rule 4.16(b) defines a binary option as a European-style option contract having an exercise settlement amount that is established at the creation of the option. The exercise settlement amount for a binary option is the amount of cash that a holder will receive upon exercise of the contract. The exercise settlement amount is a set

⁵ The Exchange does not currently list binary options but intends to begin listing binary options in upcoming months.

⁶ Pursuant to Rule 4.16(a), Rule 4.16 applies to binary options only, and all Rules apply to the trading of binary options, except as otherwise provided or the context otherwise requires.

amount equal to the exercise settlement value multiplied by the contract multiplier. The exercise settlement value will be an amount determined by the Exchange on a class-by-class basis and shall be equal to \$10 or \$1,000 or a value between those values, unless otherwise adjusted per Rule 4.6.⁷ The contract multiplier is the multiple applied to the exercise settlement value to arrive at the total exercise settlement amount per contract, which is established on a class-by-class basis and shall be at least one.⁸ Binary options are paid out if the settlement value⁹ of the underlying broad-based index equals, exceeds, or is less than the exercise price, depending on the type of option (i.e., call or put). A call binary option is an option contract that returns an exercise settlement amount if the settlement value of the underlying broad-based index is at or above the exercise price¹⁰ at expiration (i.e., in- or at-the-money), while a put binary option is an option contract that returns an exercise settlement amount if the settlement value of the underlying broad-based index is below the exercise price at expiration (i.e., in-the-money).¹¹ The Exchange designates

⁷ Pursuant to Rule 4.16(f), binary option contracts are subject to adjustment only in accordance with and to the extent specified in the By-Laws and Rules of The Options Clearing Corporation (“OCC”).

⁸ See Rule 4.16(b) (definition of “contract multiplier”).

⁹ The settlement value for a binary option is the value of the underlying broad-based index that is used to determine whether a binary option is in, at, or out of the money. For binary options on a broad-based index on which traditional options on the same broad-based index are A.M.-settled, the “settlement value” is the reported opening level of such index as derived from the prices of the underlying securities on such day and as reported by the Reporting Authority for the index. For binary options on a broad-based index on which traditional options on the same broad-based index are P.M.-settled, the “settlement value” is the reported closing level of such index as derived from the prices of the underlying securities on such day and as reported by the Reporting Authority for the index. See current Rule 4.16(b) (definition of “settlement value”). Binary options that are “at-the-money,” “in-the-money,” or “out-of-the-money” are a function of the settlement value of the underlying broad-based index in relation to the type of binary option (i.e., put or call) and the exercise price. See current Rule 4.16(e).

¹⁰ With respect to a binary option, the exercise price is the value to which the settlement value of the underlying broad-based index is compared to determine whether the holder of a binary option is entitled to have the option be paid out. See Rule 4.16(b) (definition of “exercise price”).

¹¹ See Rule 4.16(b) (definitions of “call binary option” and “put binary option”).

binary options as to expiration date, exercise price, exercise settlement amount, contract multiplier, and underlying broad-based index.¹²

As noted above, current Rule 4.16(b) permits the exercise settlement value for a binary option to be an amount determined by the Exchange on a class-by-class basis equal to between \$10 and \$1,000. Given the exercise settlement amount for a binary option equals the exercise settlement value multiplied by the contract multiplier (which must be at least 1), the current minimum permissible exercise settlement amount for a binary option is therefore \$10 (if the multiplier for a binary option was 1 and the Exchange determined the exercise settlement value to be \$10). The Exchange proposes to reduce the minimum exercise settlement value for a binary option to be \$1, making the minimum permissible exercise settlement amount for a binary option to be \$1 (if the multiplier for a binary option was 1 and the Exchange determined the exercise settlement value to be \$1). As the standard multiplier for traditional options is 100, the proposed rule change would permit the Exchange to list a binary option with the typical multiplier of 100 to have an exercise settlement amount of \$100 (i.e., 100 multiplier and exercise settlement value of \$1).

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.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

¹² See Rule 4.16(c)(2).

¹³ 15 U.S.C. 78f(b).

¹⁴ 15 U.S.C. 78f(b)(5).

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.

In particular, the Exchange believes the proposed rule change will promote just and equitable principles of trade, remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, protect investors and the public interest because it expands the range of permissible payout amounts for binary options, notably for binary options with the standard multiplier for traditional options is 100. Currently, if the Exchange listed a binary option with a 100 multiplier, the lowest permissible exercise settlement amount would be \$1,000 (i.e., 100 multiplier times \$10 exercise settlement value). The proposed rule change would permit the Exchange to apply a standard 100 multiplier to a binary option so the exercise settlement amount could be as low as \$100. The Exchange believes it would benefit investors to slightly increase the range of permissible exercise settlement values (and thus exercise settlement amounts) for binary options with a 100 multiplier given investors' familiarity with that multiplier.¹⁶ The

¹⁵ Id.

¹⁶ Investors are familiar with options with a multiplier of 100 because that is the multiplier for all equity and index options listed on the Exchange (except for nanos). See Product Specifications, available at <https://www.cboe.com/tradable-products/product-list>.

proposed rule change would merely reduce the permissible lowest possible exercise settlement amount for a binary option from \$10 to \$1, which is a minor change in a range that currently has no maximum, as the Rules apply no maximum multiplier. Additionally, as the purpose of the proposed rule change is to permit a \$100 exercise settlement amount for binary options with the standard 100 multiplier, the Exchange notes current Rules of the Exchange already permit an exercise settlement amount of \$100 (e.g., a binary option could have a multiplier of 1 and an exercise settlement value of \$100, or a multiplier of 10 and an exercise settlement value of \$10,). The proposed rule change merely permits the Exchange to determine such an exercise settlement amount using a more common multiplier with which investors are generally more familiar. As is the case for any binary option, the exercise settlement amount will be known to investors in advance, and they can determine whether to trade a binary option with that exercise settlement amount.

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, because any exercise settlement value amount determined by the Exchange for a binary option will apply to all Trading Permit Holders in the same manner (as the exercise settlement amount based on that exercise settlement value paid to any holder of that binary option upon exercise of the contract will be the same amount). The Exchange does not believe that the proposed rule change will impose any burden on intermarket competition because the rules of other exchanges currently permit an exercise

settlement amount of \$100 for binary options with multipliers of 100,¹⁷ and the proposed rule change will permit the Exchange to list binary options with the same multiplier and exercise settlement amount. Further, other exchanges that permit the listing of binary options on indexes may amend their rules to permit the same exercise settlement value if they choose.¹⁸

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 written 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 Act¹⁹ and Rule 19b-4(f)(6)²⁰ thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily

¹⁷ See NYSE American, LLC (“NYSE American”) Section 17, Rule 900 (definitions of “Finish High” and “Finish Low”, which provide that an options contract returns \$100 if it is in-the-money). While this rule applies to binary options on equities and the Exchange’s Rules apply to binary options on indexes, binary equity options function in substantially the same manner as binary index options and result in a payout of a settlement amount if the option is in-the-money, and the Exchange believes it is appropriate to permit the Exchange to designate similar payout amounts for binary options with the same common multiplier of 100 despite the difference in the underlying.

¹⁸ The Exchange notes this payout amount is the same as the payout amount for products structured in substantively the same manner as binary options that are listed on other market platforms not registered as national securities exchanges.

¹⁹ 15 U.S.C. 78s(b)(3)(A).

²⁰ 17 CFR 240.19b-4(f)(6).

suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

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

Electronic Comments:

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-CBOE-2026-034 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-CBOE-2026-034. 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-CBOE-2026-034 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.²¹

Sherry R. Haywood,

Assistant Secretary.

Secretary

²¹ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

(deletions are [bracketed])

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Rules of Cboe Exchange, Inc.

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Rule 4.16. Binary Options

(a) No change.

(b) *Definitions.*

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Exercise Settlement Amount

The term “exercise settlement amount” as used in reference to a binary option means the amount of cash that a holder will receive upon exercise of the contract. The exercise settlement amount is a set amount equal to the exercise settlement value multiplied by the contract multiplier. The exercise settlement value will be an amount determined by the Exchange on a class-by-class basis and shall be equal to \$1[0] or \$1,000 or a value between those values, unless otherwise adjusted per Rule 4.6.

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