Required fields are shown with yellow backgrounds and asterisks.

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

File No. * SR 2026 - * 017
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) * ☐ 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 adopt Rules 11.29 and 11.30.

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) 815-7203 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 03/06/2026

By Matthew Iwamaye (Name *)

(Title *) 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.

Matthew Iwamaye Date: 2026.03.06 14:45:02 -06'00'

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

Form 19b-4 Information *

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BZX-26-017 19b-4 - (f)(6) (SIP Halts) (

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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BZX-26-017 Exhibit 1 (SIP Halts).docx

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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BZX-26-017 Exhibit 5 - (SIP Halts) 030

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) Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),[1] and Rule 19b-4 thereunder,[2] Cboe BZX Exchange, Inc. (the "Exchange" or "BZX") is filing with the Securities and Exchange Commission ("Commission") a proposal to adopt Rules 11.29 and 11.30 to integrate several definitions and concepts from the Amended CTA/CQ Plan and to reorganize existing Rule 11.18 in light of the Exchange's experience with applying the rule during its time as a national securities exchange and to make conforming changes to related rules. 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 January 29, 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 Courtney Smith, Senior Counsel, (913) 222-4652, Cboe BZX Exchange, Inc., 433 West Van Buren Street, Chicago, Illinois 60607.

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[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b-4.

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

(a) Purpose

In conjunction with adoption of amended CTA/CQ Plans proposed by its participants ("Amended CTA/CQ Plan"),[3] the Exchange proposes to adopt Rules 11.29 and 11.30 to integrate several definitions and concepts from the Amended CTA/CQ Plan and to reorganize existing Rule 11.18 in light of the Exchange's experience with applying the rule during its time as a national securities exchange.[4] Current Rule 11.18 would be reorganized to include only the Limit Up-Limit Down Mechanism.[5] Proposed Rule 11.29 would be entitled "Trading Halts" and would set forth the Exchange's authority to halt trading under various circumstances. Proposed Rule 11.30 would be entitled "Trading Halts Due to Extraordinary Market Volatility" and would contain the rule text related to Market-Wide

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3 On February 23, 2021, the participants of the CTA/CQ Plans filed Amendment 36 to the CTA Plan and Amendment 27 to the CQ Plan, to revise provisions governing regulatory and operational halts. See Letter from Robert Books, Chairman, Operating Committee, CTA/CQ Plans, to Vanessa Countryman, Secretary, Securities and Exchange Commission, dated February 3, 2021. The SEC approved the amendments on May 28, 2021. See Securities Exchange Act Release No. 34-92070 (May 28, 2021), 86 FR 29849 (June 3, 2021) (SR-CTA/CQ-2021-01). The Amended CTA/CQ Plans includes provisions requiring participant self-regulatory organizations ("SROs") to honor a Regulatory Halt declared by the Primary Listing Market. The provisions in the CTA/CQ Plans, and the plan for consolidation of data for NASDAQ-listed securities, The Joint Self-Regulatory Organization Plan Governing The Collection, Consolidation and Dissemination of Quotation and Transaction Information For NASDAQ-Listed Securities Traded on Exchanges on an Unlisted Trading Privilege Basis ("UTP Plan"), include provisions similar to the changes proposed by the Exchange in this filing.

4 The Exchange notes that it is a participant of the transaction reporting plan governing Tape B securities. Each transaction reporting plan has a securities information processor ("SIP") responsible for consolidation of information for the plan's securities, pursuant to Rule 603 of Regulation NMS. The transaction reporting plans for BZX-listed securities are known as the "Consolidated Tape System and Consolidated Quotations System Plan (collectively, the "CTA/CQ Plans"). Pursuant to the CTA/CQ Plans, the Securities Industry Automation Corporation ("SIAC") consolidates order and trade data from all markets trading BZX-listed securities. The Exchange uses the term "CTA/CQ SIP" herein when referring specifically to the SIP responsible for consolidation of information in BZX-listed securities.

5 See Securities Exchange Act Release No. 88704 (April 21, 2020), 85 FR 23383 (April 27, 2020) (File No. 4-631) (approving the Twentieth Amendment to the National Market System Plan to Address Extraordinary Market Volatility).

Circuit Breakers currently codified in Rule 11.18(a) – (d), (g) – (j). In addition, the Exchange is updating cross references in other rules that are affected by the proposed changes and making non-substantive formatting changes in related rules.[6]

Background

The Exchange has been working with other SROs to establish common criteria and procedures for halting and resuming trading in equity securities in the event of regulatory or operational issues. These common standards are designed to ensure that events which might impact multiple exchanges are handled in a consistent manner that is transparent. The Exchange believes that implementation of these common standards will assist the SROs in maintaining fair and orderly markets. Notwithstanding the development of these common standards, the Exchange will retain discretion in certain instances as to whether and how to handle halts, as is described below.

Every U.S.-listed equity security has its primary listing on a specific stock exchange that is responsible for a number of regulatory functions ("Primary Listing Market").[7] These include confirming that the security continues to meet the exchange's

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[6] The Exchange notes that this proposed rule change is based on a similar rule change filed by the NYSE Arca, Inc. ("Arca") that was approved by the SEC in 2025. See Securities Exchange Act Release No. 103476 (July 16, 2025), 90 FR 34314 (July 21, 2025), SR-NYSEARCA-2025-50. In addition, the Exchange's affiliate exchanges, Cboe BYX Exchange, Inc. ("BYX"), Cboe EDGA Exchange, Inc. ("EDGA"), and Cboe EDGX Exchange, Inc. ("EDGX"), which do not operate Primary Listing Markets will file similar rule changes. Several exchanges that do not operate Primary Listing Markets have also filed similar rule changes. See Securities Exchange Act Release No. 96574 (December 22, 2022), 87 FR 80213 (December 29, 2022), SR-PHLX-2022-49; Securities Exchange Act Release No. 97093 (March 9, 2023), 88 FR 16045 (March 15, 2023), SR-PEARL-2023-11; and Securities Exchange Act Release No. 97824 (June 29, 2023), 88 FR 43159 (July 6, 2023), SR-MEMX-2023-11.

[7] The Exchange is proposing to adopt Primary Listing Market as a new term, defined in the CTA/CQ Plan, Section XI(a)(i)(H), as follows: "[T]he national securities exchange on which an Eligible Security is listed. If an Eligible Security is listed on more than one national securities exchange, Primary Listing Market means the exchange on which the security has been listed the longest."

listing standards, monitoring trading in that security and taking action to halt trading in the security when necessary to protect investors and to ensure a fair and orderly market. While these core responsibilities remain with the primary listing venue, trading in the security can occur on multiple exchanges that have unlisted trading privileges for the security[8] or in the over-the-counter market, regulated by the Financial Industry Regulatory Authority, Inc. ("FINRA"). The exchanges and FINRA are responsible for monitoring activity on the markets over which they have oversight, but also must abide by the regulatory decisions made by the Primary Listing Market. For example, a venue trading a security pursuant to unlisted trading privileges must halt trading in that security during a Regulatory Halt, which is a defined term under the proposed rules,[9] and may only trade the security once the Primary Listing Market has cleared the security to resume trading.

All SROs have rules that require them to honor a Regulatory Halt. The Exchange, as a Primary Listing Market, also has rules outlining the circumstances in which it will halt trading in its listed securities, including situations in which such halts are for regulatory purposes – and therefore are applicable to all markets trading the security – or for operational purposes, which would not halt trading on other markets.[10] However, the trading halt rules are not consistent across SROs. Consequently, events that might constitute a Regulatory Halt for securities listed on one Primary Listing Market theoretically might not be grounds for a Regulatory Halt in securities listed on another Primary Listing Market.

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8 In addition, securities may also be listed on the New York Stock Exchange or the Nasdaq Stock Market ("dually listed"). See Rules 14.1(a)(7), 14.3(d) and Interpretation and Policy .01 thereunder.

9 See proposed Rule 11.29(a)(12).

10 See e.g., Rules 11.1(c), 11.18, and 14.6.

Such inconsistency among exchange rules could lead to confusion in circumstances such as a cross-market event, including, for example "Extraordinary Market Activity."[11]

While the existing rule generally has worked as intended to afford the Exchange authority to initiate a Regulatory Halt in appropriate cases, the Exchange proposes to amend its rules to conform to the Amended CTA/CQ Plan.

The complex and interconnected market structure in the United States also relies on consolidated market data processed and disseminated by the SIPs. In certain circumstances, the loss of this information or issues with the accuracy or timeliness of the information might cause a Primary Listing Market to determine that a trading halt is appropriate. The Exchange believes that providing further guidance in its rules will assist market participants in better understanding how various scenarios could be handled.

As noted above, the proposed changes that would be uniformly applied across SROs are those that relate to cross-market events as set forth in the Amended CTA/CQ Plan. However, there will still be situations where personnel at the Primary Listing Market will need to determine the impact of the cross-market event on the securities listed on its market and use discretion in deciding whether to halt trading in some or all securities during a cross-market event that affects securities listed on different markets. In making a determination as to whether to declare a Regulatory Halt, the Primary Listing Market will consider the totality of information available concerning the severity of the issue, its likely

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[11] The proposed definition of Extraordinary Market Activity encompasses a market event that affects multiple markets. See proposed Rule 11.29(a)(2) (incorporating by reference Amended CTA/CQ Plan, Section XI(a)(i)). Thus, such cross-market events could be considered Extraordinary Market Activity.

duration, and potential impact on Members[12] and other market participants, and it will make a good-faith determination that the criteria for declaring a Regulatory Halt have been satisfied and that a Regulatory Halt is appropriate. Moreover, the Primary Listing Market will consult, if feasible, with the affected Trading Center(s), other Plan Participants, or the Processor, as applicable, regarding the scope of the issue and what steps are being taken to address the issue. Once a Regulatory Halt has been declared, the Primary Listing Market would continue to evaluate the circumstances to determine when trading may resume in accordance with its rules.

While the Exchange and the other SROs intend to harmonize certain aspects of their trading halt rules, other elements of the rules will continue to be unique to each market. The Exchange believes that this is appropriate to reflect different products listed or traded on each market and the unique relationship of the Primary Listing Market to its listed companies. It is anticipated that these unique rules would most likely be invoked in cases where the Primary Listing Market's decision on whether to institute a Regulatory Halt turns on specific information related to an individual security or issuer, such as the dissemination of material news and the issuer's ability to meet listing standards, rather than broader market issues stemming from Extraordinary Market Activity or loss of consolidated market data from a SIP.

In addition to the changes noted above, the Exchange proposes non-substantive changes to modify certain rules that cross reference existing Rule 11.18 in order to reflect proposed Rules 11.29 and 11.30. The Exchange will implement all of the changes proposed

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[12] See Rule 1.5(n). The term "Member" shall mean any registered broker or dealer that has been admitted to membership in the Exchange.

herein in conjunction with other SROs implementing the necessary rule changes. The Exchange will publish a Trade Desk Notice at least 30 business days prior to implementing the proposed changes.

Proposed Exchange Rule Changes

The Exchange proposes to introduce Rule 11.29 and Rule 11.30 to integrate several definitions and concepts from the Amended CTA/CQ Plan and to reorganize existing Rule 11.18 in light of the Exchange's experience with applying the rule during its time as a national securities exchange. Proposed Rule 11.29 would be entitled "Trading Halts" and would set forth the Exchange's authority to halt trading under various circumstances. Proposed Rule 11.30 would be entitled "Trading Halts Due to Extraordinary Market Volatility" and would contain the rule text related to Market-Wide Circuit Breakers currently codified in Rule 11.18(a) – (d), (g) – (j). The Exchange proposes to re-name current Rule 11.18 as "Limit Up-Limit Down Mechanism" and renumber the existing rule text related to the Limit Up-Limit Down Mechanism following the removal of the rule text related to Market-Wide Circuit Breakers. In addition, the Exchange is updating cross references in other rules that are affected by the proposed changes and making non-substantive formatting changes in related rules.

Definitions

The Exchange proposes adding a definitions section as Rule 11.29(a) to consolidate the various definitions that will be used in the Rule, some of which are taken from the Amended CTA/CQ Plan. The Exchange is adopting the following terms from the Amended CTA/CQ Plan: "Extraordinary Market Activity," "Material SIP Latency," "Operating

Committee," "Operational Halt," "Primary Listing Market," "Processor,"[13] "Regulatory Halt," "Trading Center," "SIP Halt," "SIP Halt Resume Time," "SIP Outage," "Limit Up Limit Down" and "Market-Wide Circuit Breaker." The definitions of "After Hours Trading Session," "Pre-Opening Session," "Regular Trading Hours," "UTP Security," and "UTP Derivative Security" are currently defined in Rules 1.5(c), (r), (w), and (ee), respectively, and have been cross-referenced in the definitions section.[14] The Exchange also proposes to adopt a definition for "Derivative Securities Products" that is unique to proposed Rule 11.29.

First, the Exchange proposes to add the definition of "Primary Listing Market"[15] to Rule 11.29(a), which will have the same meaning as in the Amended CTA/CQ Plan, Section XI(a)(i)(H). As is currently the case under Rule 14.3, Interpretation and Policy .01 and under the Amended CTA/CQ Plan, all Regulatory Halt decisions are made by the market on which the security has its primary listing. This reflects the regulatory responsibility that the Primary Listing Market has for fair and orderly trading in the securities that list on its market and its direct access to its listed companies, which are required to advise it of certain events and maintain lines of communication with the Primary Listing Market. The proposed definition makes clear that if a security is listed on more than one market (a dually-listed

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13 The Exchange proposes to also define the term "SIP" to have the same meaning as the term "Processor" as set forth in the Amended CTA/CQ Plan. Because the terms "Processor" and "SIP" are also used throughout the Rules, at time, to apply to processors of information furnished pursuant to the Nasdaq UTP Plan ("UTP Plan"), the term "Processor" may, in those applicable circumstances, refer to the processor of transactions in Tape C securities, as set forth in the UTP Plan.

14 As noted above, the Exchange is adopting several new terms that have the same meaning as those terms are defined in the Amended CTA/CQ Plans. Each of the national market system plans governing the single plan processors have identical definitions of these terms, thus there will be uniformity in the meaning of the terms among such plans as well as among the rules of the SROs.

15 See proposed Rule 11.29(a)(10).

security), the Primary Listing Market means the exchange on which the security has been listed the longest. This provision matches the language used in the definition of "Primary Listing Exchange" in the Limit Up-Limit Down Plan and will avoid conflict in the event of dually-listed securities.

Second, the Exchange proposes to add a definition for the term "Extraordinary Market Activity" as found in Section XI(a)(i)(A) of the Amended CTA/CQ Plan.[16] The Exchange notes that the three scenarios included in the proposed new definition would not be exhaustive. This enables the Primary Listing Market to act in the best interests of the market when confronted with unexpected events. However, the Exchange believes that the three scenarios included in the rule cover many of the events that are most likely to occur.

The third set of new proposed definitions would be specific to events involving the SIP. While the Exchange recognizes that many events involving the SIP would also meet the definition of "Extraordinary Market Activity" as defined in the Amended CTA/CQ Plan, the Exchange believes that the critical role of the SIPs in market infrastructure factors in favor having the Exchange's rules specify how such events would be handled. The definitions of "SIP Outage,"[17] "Material SIP Latency,"[18] "SIP Halt Resume Time,"[19] and

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16 "Extraordinary Market Activity" means a disruption or malfunction of any electronic quotation, communication, reporting, or execution system operated by, or linked to, the Processor or a Trading Center or a member of such Trading Center that has a severe and continuing negative impact, on a market-wide basis, on quoting, order, or trading activity or on the availability of market information necessary to maintain a fair and orderly market. For purposes of this definition, a severe and continuing negative impact on quoting, order, or trading activity includes (i) a series of quotes, orders, or transactions at prices substantially unrelated to the current market for the security or securities; (ii) duplicative or erroneous quoting, order, trade reporting, or other related message traffic between one or more Trading Centers or their members; or (iii) the unavailability of quoting, order, or transaction information for a sustained period.

17 See proposed Rule 11.29(a)(16).

18 See proposed Rule 11.29(a)(7).

19 See proposed Rule 11.29(a)(15).

"SIP Halt"[20] are intended to provide specificity to address this subset of potential market issues. In addition, the Exchange is proposing to define terms related to SIP governance needed in order to understand these definitions:

- "Processor" or "SIP"[21] have the same meaning as the term "Processor" set forth in the Nasdaq UTP Plan or the CTA Plan, as applicable.[22]
- "SIP Plan"[23] would be defined as "the national market system plan governing the SIP, as applicable."
- "Operating Committee"[24] is defined as having the same meaning as in the CTA/CQ Plan, namely the committee charged with administering the CTA/CQ Plan.
- "Trading Center" would have the same meaning as in Rule 600(b)(95) of Regulation NMS.

The Exchange is proposing to adopt a category of Regulatory Halt, called a "SIP Halt,"[25] which will have the same meaning as that term is defined in Section XI(a)(i)(K) of the CTA/CQ Plan, namely "a Regulatory Halt to trading in one or more securities that a Primary Listing Market declares in the event of a SIP Outage or Material SIP Latency." This new category of Regulatory Halt will address situations where the Primary Listing Market

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20 See proposed Rule 11.29(a)(14).

21 See proposed Rule 11.29(a)(11).

22 See, e.g., Amended CTA Plan, Section I(x), which provides: "'Processor' means the organization designated as recipient and processor of last sale price information furnished by Participants pursuant to this CTA Plan, as Section V describes."

23 See proposed Rule 11.29(a)(17).

24 See proposed Rule 11.29(a)(8).

25 See proposed Rule 11.29(a)(14).

declares a Regulatory Halt in one or more securities as a result of a SIP Outage[26] or Material SIP Latency.[27]

The Exchange proposes to add a definition of "Regulatory Halt,"[28] which would be a new defined term that incorporates the Exchange's existing regulatory halt authority as well as the proposed new regulatory halt authority. The Exchange proposes that the term would have the same meaning as in Section XI(a)(i)(J) of the Amended CTA/CQ Plan, as follows:

> a halt declared by the Primary Listing Market in trading in one or more securities on all Trading Centers for regulatory purposes, including for the dissemination of material news, news pending, suspensions, or where otherwise necessary to maintain a fair and orderly market. A Regulatory Halt includes a trading pause triggered by Limit Up Limit Down,[29] a halt based on Extraordinary Market Activity, a trading halt triggered by a Market-Wide Circuit Breaker,[30] and a SIP Halt.

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26 See Amended CTA/CQ Plan, Section XI(a)(i)(M). "SIP Outage" means "a situation in which the Processor has ceased, or anticipates being unable, to provide updated and/or accurate quotation or last sale price information in one or more securities for a material period that exceeds the time thresholds for an orderly failover to backup facilities established by mutual agreement among the Processor, the Primary Listing Market for the affected securities, and the Operating Committee unless the Primary Listing Market, in consultation with the Processor and the Operating Committee, determines that resumption of accurate data is expected in the near future."

27 See Amended CTA/CQ Plan, Section XI(a)(i)(E). "Material SIP Latency" means "a delay of quotation or last sale price information in one or more securities between the time data is received by the Processor and the time the Processor disseminates the data over the Processors vendor lines, which delay the Primary Listing Market determines, in consultation with, and in accordance with, publicly disclosed guidelines established by the Operating Committee, to be (a) material and (b) unlikely to be resolved in the near future."

28 See proposed Rule 11.29(a)(12).

29 The Exchange proposes to incorporate the Amended CTA Plan's definition of "Limit Up Limit Down." See proposed Rule 11.29(a)(5).

30 The Exchange proposes to incorporate the Amended CTA Plan's definition of "Market-Wide Circuit Breaker." See proposed Rule 11.29(a)(6).

The term "Regulatory Halt" would include the various existing reasons for a Regulatory Halt that are currently enumerated in the Exchange's rules, as well as the proposed new categories of Regulatory Halt from the Amended CTA/CQ Plan: (1) a SIP Halt (due to a SIP Outage or Material SIP Latency), (2) a halt based on Extraordinary Market Activity, and (3) a halt in the event of a national, regional, or localized disruption that necessitates a Regulatory Halt to maintain a fair and orderly market. The Exchange proposes to move the Market-Wide Circuit Breaker rules in their entirety from Rule 11.18 to proposed Rule 11.30, in order to improve clarity.

Next, the Exchange proposes to add a definition of "Operational Halt,"[31] which would be a new definition for the Exchange. The Exchange proposes that this term would have the same meaning as the Amended CTA/CQ Plans.[32] An Operational Halt is effective only on BZX; other markets are not required to halt trading in the impacted securities. In practice, the Exchange has always had the capacity to implement operational halts in specified circumstances, but such halts are not currently referred to as "operational halts" in the Exchange's rules.[33] The proposed change would provide greater clarity on when an Operational Halt may be implemented and the process for halting and resuming trading in the event of an Operational Halt. An Operational Halt is not a Regulatory Halt.

Finally, the Exchange proposes to introduce a definition of "Derivative Securities Product."[34] The Exchange notes that this term is similar to the term "Derivative Security" in

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31 See proposed Rule 11.29(a)(9).

32 See Amended CTA/CQ Plan, Section XI(a)(i)(G). An "Operational Halt" means a halt in trading in one or more securities only on a Market declared by such Participant and is not a Regulatory Halt.

33 See Rule 11.1(c).

34 See proposed Rule 11.29(a)(2).

Rule 1.5(dd), but provides additional specificity as to the exact products under Chapter XIV that the Exchange would classify as a Derivative Securities Product for purposes of proposed Rule 11.29. The term "Derivative Securities Product" means a series of Portfolio Depositary Receipts, Index Fund Shares, Managed Fund Shares, Trust Issued Receipts, Managed Portfolio Shares, Exchange-Traded Fund Shares, Tracking Fund Shares, and Class ETF Shares (as defined in Rule 14.11(b), 14.11(c), 14.11(i), 14.11(f), 14.11(k), 14.11(l), 14.11(m), and 14.11(n) respectively), a series of Commodity-Related Securities (as defined in Rule 14.11(d)), securities representing interests in unit investment trusts or investment companies, Index-Linked Exchangeable Notes, Equity Gold Shares, Trust Certificates, Commodity-Based Trust Shares, Commodity Index Trust Shares, Commodity Futures Trust Shares, Partnership Units, Trust Units, Managed Trust Securities, or Currency Warrants (as defined in Rule 14.11(e)(1) – (11)), or any other UTP Derivative Security (as described in Rule 14.11(j)).

Regulatory Halts

Proposed Rule 11.29(b) would set forth requirements relating to Regulatory Halts.

Authority to Initiate a Regulatory Halt

The Exchange proposes to consolidate the various types of situations that form the basis for declaring a Regulatory Halt in proposed Rule 11.29(b)(1). In this subsection, the Exchange would identify all of the bases for its Regulatory Halt authority, including cross-referencing to current rules describing existing halt authority and by adding the new Regulatory Halt authority consistent with the Amended CTA/CQ Plan.

Proposed Rule 11.29(b)(1)(A) describes "Mandatory Halts," where the Exchange must issue a Regulatory Halt. The proposed rule would identify four categories of mandatory Regulatory Halts:

- Pursuant to Proposed Rule 11.29(b)(1)(A)(i) regarding the Market-Wide Circuit Breakers, which will be retained without modification in proposed Rule 11.30 (currently codified in Rule 11.18(a) – (d); (f) – (j)). This proposed rule would effectuate the definition of Regulatory Halt in proposed Rule 11.29(a)(10), which cross-references Section XI(a)(i)(J) of the Amended CTA/CQ Plan.
- Pursuant to Proposed Rule 11.29(b)(1)(A)(ii) regarding the Limit Up-Limit Down Plan (proposed Rule 11.18). This proposed rule would effectuate the definition of Regulatory Halt in proposed Rule 11.29(a)(10), which cross-references Section XI(a)(i)(J) of the Amended CTA/CQ Plan.
- Pursuant to Proposed Rule 11.29(b)(1)(A)(iii) when the Exchange becomes aware that a Derivative Securities Product (or in the case of Index Fund Shares, Managed Fund Shares, Managed Trust Securities, Managed Portfolio Shares, or Tracking Fund Shares, a Disclosed Portfolio, holdings, Fund Portfolio, or Tracking Basket, as applicable) is not being disseminated to all participants at the same time. The Exchange will maintain the trading halt until such time as the Exchange becomes aware that the required value is available to all market participants at the same time. This proposed rule text is based on authority found in current Rule 14.11, generally, and would effectuate Section XI(a)(iii)(1) of the Amended CTA/CQ Plan, which

provides that a Primary Listing Exchange may declare a Regulatory Halt "as provided for in the rules of the Primary Listing Market."

- As provided for elsewhere in the Rules of the Exchange, including but not limited to Rules 11.1, 11.23, 14.6, 14.8, 14.9, 14.10, 14.11(b) – (g), 14.11(i) – (n), and 14.12 concerning requirements for listing, delisting, and maintaining listings of certain types of securities, and regarding the public dissemination of material information (Proposed Rule 11.29(b)(1)(A)(iv). This proposed rule text is based on authority found in current Rules 11.1 and 14.11, generally, and would effectuate Section XI(a)(iii)(1) of the Amended CTA/CQ Plan, which provides that a Primary Listing Exchange may declare a Regulatory Halt "as provided for in the rules of the Primary Listing Market."

Proposed Rule 11.29(b)(1)(B) would describe "Discretionary Halts," where "the Exchange may declare a Regulatory Halt in trading for any security for which it is the Primary Listing Market." The proposed rule would list four bases for the Exchange to declare a discretionary Regulatory Halt:

- Pursuant to Proposed Rule 11.29(b)(1)(B)(i) when the Exchange determines that there is Extraordinary Market Activity, a SIP Outage, or Material SIP Latency. This proposed rule would effectuate Section XI(a)(iii)(2) of the Amended CTA/CQ Plan, which provides this authority.
- Pursuant to Proposed Rule 11.29(b)(1)(B)(ii), as provided for elsewhere in the Rules of the Exchange, including but not limited to Rules 11.1, 11.23, 14.6, 14.8, 14.9, 14.10, 14.11(b) – (g), 14.11(i) – (n), and 14.12 concerning

requirements for listing, delisting, and maintaining listings of certain types of securities, and regarding the public dissemination of material information.

- Pursuant to Proposed Rule 11.29(b)(1)(iii), based on a consideration of the following factors: (A) trading in the underlying securities comprising the index or portfolio applicable to that series has been halted in the primary market(s); (B) the extent to which trading has ceased in securities underlying the index or portfolio; or (C) the presence of other unusual conditions or circumstances detrimental to the maintenance of a fair and orderly market. This proposed rule text would effectuate Section XI(a)(iii)(1) of the Amended CTA/CQ Plan, which provides that a Primary Listing Exchange may declare a Regulatory Halt "as provided for in the rules of the Primary Listing Market."
- Pursuant to Proposed Rule 11.29(b)(1)(B)(iv) in the event of a national, regional, or localized disruption that necessitates a Regulatory Halt to maintain a fair and orderly market. This proposed rule would effectuate Section XI(a)(iii)(3) of the Amended CTA/CQ Plan, which provides this authority.

Communications

Proposed Rule 11.29(b)(2) would describe communications, consistent with Section XI(a)(viii) of the Amended CTA/CQ Plan. The proposed rule would provide that whenever, in the exercise of its regulatory functions, the Exchange as Primary Listing Market determines it is appropriate to initiate a Regulatory Halt, it will notify all other Participants and the Processor of such Regulatory Halt as well as provide notice that a Regulatory Halt

has been lifted using such protocols and other emergency procedures as may be mutually agreed to between the Operating Committee and the Exchange. The Processor shall disseminate to Participants notice of the Regulatory Halt (as well as notice of the lifting of a Regulatory Halt) through the high speed line or through the "high speed line" under the CQ Plan, and any other means the Processor, in its sole discretion, considers appropriate. Each Participant shall be required to continuously monitor these communication protocols established by the Operating Committee and the Processor during market hours, and the failure of a Participant to do so shall not prevent the Exchange from initiating a Regulatory Halt in accordance with the SIP Plan and the procedures specified in these rules.

Initiating a Regulatory Halt

Proposed Rule 11.29(b)(3) would specify how the Exchange, as a Primary Listing Market, would initiate a Regulatory Halt. The proposed rule is consistent with the procedures for initiating a Regulatory Halt is set forth in Section XI(a)(iv) of the Amended CTA/CQ Plan.

Proposed Rule 11.29(b)(3)(A) would provide, consistent with Section XI(a)(iv)(A) of the Amended CTA/CQ Plan, that the start time of a Regulatory Halt is the time the Exchange or the Primary Listing Market declares the Halt, regardless of whether communications issues impact the dissemination of notice of the Halt. This proposal would provide market participants with certainty on the official start time of the Regulatory Halt. Under the proposed rule, the start time is fixed by the Primary Listing Market; it is not dependent on whether notice is disseminated immediately. This will avoid possible disagreement if the Halt time were tied to dissemination or receipt of notification, which may occur at different times. The Exchange recognizes that in situations where

communication is interrupted, trades may continue to occur until news of the Halt reaches all Trading Centers. However, a fixed "official" Regulatory Halt time will allow SROs to revisit trades after the fact and determine in a consistent manner whether specific trades should stand.

Second, proposed Rule 11.29(b)(3)(B) would provide, consistent with Section XI(a)(iv)(B) of the Amended CTA/CQ Plan, that if the SIP is unable to disseminate notice of a Regulatory Halt or the Exchange is not open for trading, the Exchange would take reasonable steps to provide notice of a Regulatory Halt in the manner set forth in the Amended CTA/CQ Plan. Currently, after receiving notice from the Primary Listing Market, the SIP disseminates automated, machine-readable trade halt messages to notify Trading Centers to automatically halt their order matching and order dissemination systems. Many Trading Centers rely solely on such SIP dissemination of a Regulatory Halt. Proposed Rule 11.29(b)(3)(B) would provide that the Exchange would take additional, reasonable steps to notify Trading Centers of a Regulatory Halt. The Amended CTA/CQ Plan provides that if the SIP is unable to disseminate notice of a Regulatory Halt, the other available means of dissemination that a Primary Listing Market could use would include:

- Proprietary data feeds that contain the same quote and trade information that the Exchange also sends to the applicable SIP;
- Posting on a publicly available Exchange website; or
- System status messages that are disseminated to market participants who choose to sign up to receive such messages.[35]

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[35] See Amended CTA/CQ Plan, Section XI(a)(iv)(B)(1) – (3).

These additional sources for notice of a Regulatory Halt would provide redundancy if either the SIP or the Exchange is unable to communicate via the existing automated procedures. Although it may take longer for participants to react to messages received in less automated formats, the use of multiple forms of dissemination will increase the likelihood that participants receive important information. It will also assist participants who do not subscribe to the Exchange's proprietary feeds in getting regulatory notices. As noted above, in situations where communication is interrupted the Exchange and other SROs would retain the ability to break trades that occurred after the start of the Regulatory Halt in appropriate circumstances, thereby lessening the potential impact on participants that were delayed in halting trading.

Proposed Rule 11.29(b)(3)(C) would provide, consistent with Section XI(a)(iv)(C) of the Amended CTA/CQ Plan, that except in exigent circumstances, the Exchange would not declare a Regulatory Halt retroactive to a time earlier than the notice of such halt. Feedback from market participants has been that it is very disruptive to trading when the Primary Listing Market sets the start of a trading halt for a time earlier than the notice of the halt.[36] Therefore, in almost all situations, the trading halt will start at the time of the notice or at a point in time thereafter. However, the Exchange retains the authority to implement a retroactive halt to deal with unexpected and significant situations that represent exigent circumstances. While it is difficult in advance to provide an exhaustive list of when retroactive application of a trading halt would be in the public interest, one situation where a halt was applied retroactively was when the Primary Listing Market erroneously lifted a

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[36] As noted previously, the start time of a Regulatory Halt is measured as the point in time when the Primary Listing Market declares the halt, regardless of whether there is a delay in dissemination of the notice or in receipt of the notice by participants.

Regulatory Halt. In that case, the Primary Listing Market instituted a Regulatory Halt retroactively so that it coincided with the time the original halt was lifted in error.

Proposed Rule 11.29(b)(3)(D) would provide, consistent with Section XI(a)(iii)(B) of the Amended CTA/CQ Plan, that in making a determination to declare a Regulatory Halt in trading any security for which the Exchange is the Primary Listing Market, the Exchange will consider the totality of information available concerning the severity of the issue, its likely duration, and potential impact on Members and other market participants and will make a good-faith determination that the criteria for declaring the Regulatory halt have been satisfied and that a Regulatory Halt is appropriate. The Exchange will consult, if feasible, with the affected Trading Center(s), other SIP Plan Participants, or the Processor, as applicable, regarding the scope of the issue and what steps are being taken to address the issue. Once a Regulatory Halt has been declared, the Exchange will continue to evaluate the circumstances to determine when trading may resume in accordance with its Rules.

UTP Regulatory Halt

Proposed Rule 11.29(b)(4) would specify how the Exchange would respond to Regulatory Halts declared by other Primary Listing Markets, referred to by the Exchange as a "UTP Regulatory Halt." Proposed Rule 11.29(b)(4)(A) would provide that the Exchange would halt trading in any UTP Securities when the Primary Listing Market declares a Regulatory Halt for any such securities. The proposed rule text is based on current Rule 14.11(j)(3) and Section XI(a)(iii) of the Amended CTA/CQ Plan. Proposed Rule 11.29(b)(4)(B)(i) – (iii) would set forth rules for trading halts in UTP Derivative Securities

Products.[37] This proposed rule text is based on current authority to halt Derivative Securities pursuant to Rules 14.11(b) – (g); (i) – (m).

Resumption of Trading After a Regulatory Halt

The SROs have jointly developed processes to govern the resumption of trading in the event of a Regulatory Halt. While the actual process of re-launching trading will remain unique to each exchange (for example, BZX-listed securities resume trading on the Exchange in most cases through a Halt Auction pursuant to Rule 11.23(d)), the proposed rule would harmonize certain common elements of the reopening process that would benefit from consistency across markets. These common elements include the primacy of the Primary Listing Market in resumption decisions, the requirement that the Primary Listing Market make its determination to resume trading in good faith, and certain parts of the complex process of reopening trading after a SIP Halt. With respect to a SIP Halt, common elements of the reopening process include the interaction among SROs (including the Primary Listing Market with the SIP), the requirement that the Primary Listing Market terminate a SIP Halt with a notification that specifies a SIP Halt Resume Time, the minimum quoting times before resumption of trading, the cutoff time after which trading would not resume during Regular Trading Hours, and the time when trading may resume if the Primary Listing Market does not open a security within the amount of time specified in its rules after the SIP Halt Resume Time.

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[37] See Rule 1.5(ee). The term "UTP Derivative Security" shall mean any one of a list of Derivative Securities that trades on the Exchange pursuant to unlisted trading privileges. The term "Derivative Security" is defined in Rule 1.5(dd) and means a security that meets the definition of "new derivative securities product" in Rule 19b-4(e) under the Exchange Act.

Proposed Rule 11.29(b)(5)(A) provides the process to be followed when resuming trading upon the conclusion of Regulatory Halts other than SIP Halts. The new rule would effectuate Section XI(a)(v) of the Amended CTA/CQ Plan.

Proposed rule 11.29(b)(5)(A)(i) would make clear that BZX, as the Primary Listing Market, is responsible for declaring a resumption of trading when it makes a good faith determination that trading may resume in a fair and orderly manner and in accordance with its rules.

The resumption process incorporating the Halt Auction would be described under Proposed Rule 11.29(b)(5)(A)(ii), and states that the Exchange will release the security for trading pursuant to its Halt Auction process under Rule 11.23(d), except as provided in subparagraphs (a) through (d). Proposed Rule 11.29(b)(5)(A)(ii) also provides that during any trading halt or pause for which a Halt Auction under Rule 11.23(d) will not occur, orders entered during the Regulatory Halt or pause will be accepted pursuant to Rule 11.24(e).

Subparagraph (a) would specify that the Exchange would resume trading after a Limit Up Limit Down trading pause as specified in Rule 11.18.

Subparagraph (b) would specify that the Exchange would resume trading after a Market-Wide Circuit Breaker halt as specified in proposed Rule 11.30.

Subparagraph (c) would provide that the Exchange would resume trading as specified in Rule 11.23(e) when the start time of a Regulatory Halt would begin between 3:50 p.m. and 4:00 p.m. or the Quote-Only Period (as described in Rule 11.23(d)) of a Halt Auction for a security subject to a Regulatory Halt would otherwise be extended by the Exchange after 3:50 p.m.

Subparagraph (d) would provide that the Exchange would resume trading after a UTP Regulatory Halt other than a SIP Halt by starting to accept orders after the Exchange receives notification[38] from the UTP Listing Market that the Regulatory Halt has been terminated. Subparagraph (d) would further provide that the Exchange would not conduct a Halt Auction to resume trading after a Regulatory Halt in a UTP Security, including a UTP Derivative Security.

Proposed Rule 11.29(b)(5)(B) would address the resumption of trading following a SIP Halt. This new rule would effectuate Section XI(a)(vi) of the Amended CTA/CQ Plan. Proposed Rule 11.29(b)(5)(B)(i) would establish the rules for the resumption of trading following a SIP Halt initiated by the Exchange. Proposed Rule 11.29(b)(5)(B)(i)(a), which is based on Section XI(a)(vi)(A) of the Amended CTA/CA Plan, would provide that the Exchange would determine when a SIP Halt would end, which would be defined as the "SIP Halt Resume Time," which is also defined in the Amended CTA/CQ Plan.[39] As further proposed, in making this determination, the Exchange would make a good-faith determination and consider the totality of information to determine whether resuming trading would promote a fair and orderly market.

The SROs' experience with such events is that communication amount SROs, SIPs and market participants is the best way to ensure that the Primary Listing Market has access to available information and to coordinate the reopening of trading in an orderly manner. In addition, the SROs anticipate that market participants and other impacted entities will have access to information about the issue causing the SIP Halt, the duration of the halt and the

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38 The manner and timing of such notice would be determined by the Primary Listing Market.

39 See Amended CTA/CQ Plan, Section XI(a)(i)(L).

resumption process through updated communications from the SIP, Operating Committee and Primary Listing Market. Accordingly, the proposed Rule 11.29(b)(5)(B)(i)(a) would further provide that when determining whether to resume trading, the Exchange would include input from the SIP processor, the Operating Committee, or the operator of the system in question (as well as any Trading Center(s) to which such system is linked), regarding operational readiness to resume trading. The rule would further provide that the Exchange would retain discretion to delay the SIP Halt Resume Time if it believes trading would not resume in a fair and orderly manner.

Under proposed Rule 11.29(b)(5)(B)(i)(b), the Exchange would terminate a SIP Halt with a notification that specifies the SIP Halt Resume Time. Section XI(a)(vi)(B) of the Amended CTA/CQ Plan directs the Primary Listing Market to specify in its rules (a) the minimum notice it will provide of a SIP Halt Resume Time, during which period market participants may enter orders in the affected securities, and (b) the last SIP Halt Resume Time before the end of regular trading hours. In accordance with that direction, Proposed Rule 11.29(b)(4)(B)(i)(b) would state that the Exchange would provide for a minimum five-minute notice of a SIP Halt Resume Time, which is sufficiently in advance of resumption to permit market participants to prepare their systems for trading.

In addition, proposed Rule 11.29(b)(5)(B)(i)(b) would establish that during Regular Trading Hours, the last SIP Halt Resume Time would be 20 minutes before the end of Regular Trading Hours, e.g., 3:40 p.m. ET. The Exchange believes that a SIP Halt Resume Time after 3:40 p.m. ET would interrupt a fair and orderly closing process. Accordingly, in such case, the Exchange would not run a Closing Auction and would establish Official Closing Prices for securities affected by the SIP Halt pursuant to Rule 11.23(i), which sets

forth how the Exchange will determine the Official Closing Price if the Exchange is unable to conduct a closing transaction in one or more securities due to a systems or technical issue. In such case, the Exchange would disseminate a SIP Halt Resume Time after Regular Trading Hours.

Proposed Rule 11.29(b)(5)(B)(i)(b) would further provide the Exchange, as the Primary Listing Market, with discretion to stagger the SIP Halt Resume Times for multiple securities in order to reopen in a fair and orderly manner. For example, this discretion could be used to open trading in a small number of symbols to ensure that systems are operating normally before resuming trading in the remaining symbols.

Proposed Rule 11.29(b)(5)(B)(i)(c) would provide that for a SIP Halt initiated by the Exchange, the Exchange would reopen trading in the same manner as a Regulatory Halt as described in proposed Rule 11.29(b)(5)(A), with the only difference being that the Quote-Only Period will be a minimum of five minutes, but may be extended at the discretion of the Exchange pursuant to Rule 11.29(b)(5)(B)(i)(a). Because a SIP Halt is a Regulatory Halt, such Halt Auction would be subject to the extension logic and widened auction collars as described in Rule 11.23(d)(2)(C).

Proposed Rule 11.29(b)(5)(B)(ii) provides that, for a SIP Halt initiated by another exchange that is the Primary Listing Market, during Regular Trading Hours, BZX may resume trading after trading has resumed on the Primary Listing Market or notice has been received from the Primary Listing Market that trading may resume. Proposed Rule 11.29(b)(5)(B)(ii) provides that, for a SIP Halt initiated by a market other than BZX, during Regular Trading Hours, if the Primary Listing Market does not open a security within the amount of time listed by the rules of the Primary Listing Market, BZX may resume trading

in that security. Under Proposed Rule 11.29(b)(4)(B)(ii), outside of Regular Trading Hours, BZX may resume trading immediately after the SIP Halt Resume Time.

Operational Halt

The Exchange proposes in Rule 11.29(c) to address Operational Halts, which are non-regulatory in nature and apply only to the exchange that calls the halt. As described above, the Exchange has always had the capacity to implement operational halts and local trading suspensions in specified circumstances, but such halts are not currently referred to as "operational halts" in the Exchange's rules.[40] As part of the Exchange's assessment with the other SROs of the halting and resumption of trading, the Exchange believes that the markets would benefit from greater clarity regarding when an Operational Halt may be appropriate. In part, the proposed change is designed to cover situations similar to those that might constitute a Regulatory Halt, but where the impact is limited to a single market. For example, just as a market disruption might trigger a Regulatory Halt for Extraordinary Market Activity (as defined in the Amended CTA/CQ Plan) if it affects multiple markets, so a disruption at the Exchange, such as a technical issue affecting trading in one or more securities, could impact trading on the Exchange so significantly that an Operational Halt is appropriate in one or more securities. In such an instance, it would be in the public interest to institute an Operational Halt to minimize the impact of a disruption that, if trading were allowed to continue, might negatively affect a greater number of market participants. An Operational Halt does not implicate other trading centers.

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[40] See Rule 11.1(c). The Exchange also notes that its proposed Rule 11.29(c) regarding Operational Halts is substantially identical to the NYSE Arca, Nasdaq PHLX, MIAX Pearl, and MEMX rules cited in note 6 above, and is therefore not novel.

Proposed Rule 11.29(c)(1) would specify the Exchange's authority to initiate an Operational Halt, which is discretionary, and provide that the Exchange may declare an Operational Halt for any security trading on the Exchange if it is experiencing Extraordinary Market Activity on the Exchange (proposed Rule 11.29(c)(1)(A)) or when otherwise necessary to maintain a fair and orderly market or in the public interest (proposed Rule 11.29(c)(1)(B)).

Under proposed Rule 11.29(c)(2), the Exchange would notify the Processor if it has concerns about its ability to collect and transmit quotes, orders, or last sale prices, or where it has declared an Operational Halt or suspension of trading in one or more Eligible Securities (as that term is defined in the Amended CTA/CQ Plan), pursuant to the procedures adopted by the Operating Committee.

Proposed Rule 11.29(c)(3) would set out rules for order processing during an Operational Halt. In such case, proposed Rule 11.29(c)(3)(A) would provide that the Exchange would cancel all unexecuted orders resting on the BZX Book, including Eligible Auction Orders, and proposed Rule 11.29(c)(3)(B) would provide that the Exchange would reject all other incoming order instructions until the Exchange resumes trading. Proposed Rule 11.29(c)(3)(C) would provide that for a BZX-listed security, a Halt Auction will not be conducted pursuant to Rule 11.23(d), and the security will resume trading once the Operational Halt is lifted by the Exchange. Proposed Rule 11.29(c)(3)(D) provides that an Operational Halt in a UTP Security would resume on the Exchange pursuant to proposed Rule 11.24(f), which the Exchange proposes to introduce. Proposed Rule 11.24(f) would describe the Exchange's current practice for re-opening securities that are not subject to a Regulatory Halt and states that while a security is subject to an Operational Halt, orders will

not be accepted for queuing prior to the security's resumption of trading and that any open orders on the BZX Book[41] will be cancelled. Proposed Rule 11.24(f)(1) states that a security subject to an Operational Halt will return to trading when the Exchange declares that trading may resume pursuant to Rule 11.29(c)(3).

Proposed Rule 11.29(c)(4) would specify how the Exchange resumes trading after an Operational Halt. Proposed Rule 11.29(c)(4)(A) would provide that the Exchange would resume trading following an Operational Halt when it determines that trading may resume in a fair and orderly manner consistent with the Exchange's rules. Proposed Rule 11.29(c)(4)(B) would address "Communications," and provide that trading in a halted security shall resume at the time specified by the Exchange in a notice. It would further specify that the Exchange will notify all other Plan participants and the SIP of such Operational Halt as well as provide notice that an Operational Halt has been lifted using such protocols and other emergency procedures as may be mutually agreed to between the Operating Committee and the Exchange. If the SIP is unable to disseminate notice of an Operational Halt or the Exchange is not open for trading, the Exchange would take reasonable steps to provide notice of an Operational Halt, which shall include both the type and start time of the Operational Halt. Each Plan participant shall continuously monitor communication protocols established by the Operating Committee and the Processor during market hours to disseminate notice of an Operational Halt, and the failure of a participant to do so shall not prevent the Exchange from initiating an Operational Halt.

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[41] See Rule 1.5(e).

Conforming Changes to Other Rules

The Exchange is proposing to modify a number of other rules that currently cross reference rules that are being relocated or to add cross references to new Rules 11.29 and 11.30. Modifications to the citation are proposed for the following rules:

- Rule 11.8(d)(2)(D) and Rule 11.8(d)(2)(E), Obligations of Market Makers, have been modified to replace a reference to Rule 11.18(b) with Rule 11.18(a) to reflect the relocation of the original rule.
- Rule 11.9(a)(2), Orders and Modifiers, has been modified to replace a reference to Rule 11.18(e)(5)(B) with Rule 11.18(a)(5)(B) to reflect the relocation of the original rule.
- Rule 11.13(a)(3) and Rule 11.13(b)(3)(I), Order Execution and Routing, have been modified to replace a reference to Rule 11.18(e) with Rule 11.18(a) to reflect the relocation of the original rule.
- Rules 11.13(b)(3) and 11.13(b)(5) have been modified to remove the italic formatting from the title of each subsection in order to conform with other subsections of Rule 11.13(b).
- Rule 11.23(d), Auctions, has been modified to replace a reference to Rule 11.18(b)(2) with Rule 11.30(b)(2) to reflect the relocation of the original rule.
- Rule 11.23(e), Auctions, has been modified to include references to Rules 11.29 and 11.30 to reflect the addition of new rule text and the relocation of the Market-Wide Circuit Breaker rule from the original rule.
- Rule 11.24(e), Opening Process for Non-BZX-Listed Securities, has been modified to replace a reference to Rule 11.18(b)(2) with Rule 11.30(b)(2) to reflect the

relocation of the original rule. This rule has also been modified to include the word "Regulatory" in order to indicate its applicability only to Regulatory Halts.

- The preamble to Chapter XIV, Bats BZX Exchange Listing Rules, has been modified to include references to Rules 11.29 and 11.30 to reflect the addition of new rule text and the relocation of the Market-Wide Circuit Breaker rule from the original rule.
- Interpretation and Policy .01 to Rule 14.3, which covers dually-listed securities, has been modified to reflect the changes proposed in new Rule 11.29. The proposed rule makes clear that the Primary Listing Market is the market on which the security has been listed longest. This clear statement has eliminated the need for the more specific citations to various subsections currently contained in Interpretation and Policy .01 to Rule 14.3.
- Interpretation and Policy .01(c) to Rule 14.6, Disclosure of Material Information, Trading Halts, has been modified to include reference to new Rules 11.29 and 11.30. In addition, Interpretation and Policy .01(b) has been modified to display the correct Exchange market hours of 7:00 a.m. to 8:00 p.m. ET and to amend a reference to the Company rather than the Exchange.
- Rule 14.11(c) has been modified to include references to Rules 11.29 and 11.30 to reflect the addition of new rule text and the relocation of the Market-Wide Circuit Breaker rule from the original rule and to remove an extraneous comma.
- Rule 14.11(e)(9), Trust Units, has been modified to replace a reference to Rule 11.18 with Rule 11.30, to reflect the relocation of the original rule.

- Rule 14.11(e)(10), Managed Trust Securities, has been modified to replace a reference to Rule 11.18 with Rule 11.29, to reflect the relocation of the original rule.
- Rule 14.11(j) and Rule 14.11(j)(3), UTP Derivative Securities, have been modified to include references to Rules 11.29 and 11.30 to reflect the addition of new rule text and the relocation of the Market-Wide Circuit Breaker rule from the original rule.

The Staff notes that the changes described above are not substantive and serve only to update cross references to rules that have been relocated.

Implementation

The Exchange will implement the proposed changes herein in conjunction with the Processors and the other SROs implementing the necessary rule changes and related technology and procedural changes. The Exchange will publish a Trade Desk Notice at least 30 days prior to implementing the proposed changes.

(b) Statutory Basis

The Exchange believes the proposed rule change is consistent with the Act and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.[42] Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)[43] 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

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42 15 U.S.C. 78f(b).

43 15 U.S.C. 78f(b)(5).

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)[44] requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

As described above, the Exchange and other SROs are seeking to adopt harmonized rules related to halting and resuming trading in U.S.-listed equity securities. The Exchange believes that the proposed rules will provide greater transparency and clarity with respect to the situations in which trading will be halted and the process through which that halt will be implemented and terminated. Particularly, the proposed changes seek to achieve consistent results for participants across U.S. equities exchanges while maintaining a fair and orderly market, protecting investors and protecting the public interest. Based on the foregoing, the Exchange believes that the proposed rules are consistent with Section 6(b)(5) of the Act[45] because they will foster cooperation and coordination with persons engaged in regulating and facilitating transactions in securities.

As discussed previously, the Exchange believes that the various provisions of the proposed rules that will apply to all SROs are focused on the type of cross-market event where a consistent approach will assist market participants and reduce confusion during a crisis. Because market participants often trade the same security across multiple venues and trade securities listed on different exchange as part of a common strategy, the Exchange believes that the proposed rules will lessen the risk that market participants

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44 Id.

45 Id.

holding a basket of securities will have to deal with divergent outcomes depending on where the securities are listed or traded. Conversely, the proposed rules would still allow individual SROs to react differently to events that impact various securities or markets in different ways. This avoids the "brittle market" risk where an isolated event at a single market forces all markets trading equities securities to halt or halts trading in all securities where the issue impacted only a subset of securities. By addressing both concerns, the Exchange believes that the proposed rules further the Act's goal of maintaining fair and orderly markets.

The Exchange believes that the proposed rules' focus of responsibility on the Primary Listing Market for decisions related to a Regulatory Halt and the resumption of trading is consistent with the Act, which itself imposes obligations on exchanges with respect to issuers that are listed. As is currently the case, the Primary Listing Market would be responsible for the many regulatory functions related to its listings, including the determination of when to declare a Regulatory Halt. While these core responsibilities remain with the Primary Listing Market, trading in the security can occur on multiple exchanges that have unlisted trading privileges for the security or in the over-the-counter market, regulated by FINRA. These other venues are responsible for monitoring activity on their own markets, but also have agreed to honor a Regulatory Halt.

The proposed changes relating to Regulatory Halts would ensure that all SROs handle the situations covered therein in a consistent manner that would prevent conflicting outcomes in cross-market events and ensure that all Trading Centers recognize a Regulatory Halt declared by the Primary Listing Market. The changes are consistent with and implement the Amended CTA/CQ Plan. While the proposed rules

recognize a Primary Listing Market for each security, the rules do not prevent an issuer from switching its listing to another national securities exchange that would thereafter assume the responsibilities of Primary Listing Market for that security. Similarly, the proposed rules set forth a fair and objective standard to determine which exchange will be the Primary Listing Market in the case of dually-listed securities: the exchange on which the security has been listed the longest.

The Exchange believes that the other definitions in the proposed rules are also consistent with the Act. For example, the proposed rules would define what constitutes Extraordinary Market Activity, consistent with the amended definition of that term in the Amended CTA/CQ Plan, thereby furthering the Act's goal of promoting fair and orderly markets. The Exchange is also proposing to adopt definitions for "SIP Outage," "Material SIP Latency" and "SIP Halt," to explicitly address situations that may disrupt the markets, and these definitions are identical to the definitions in the Amended CTA/CQ Plan. The proposed rules provide guidance on when the Exchange should seek information from the Operating Committee, other SROs and market participants as well as means for dissemination of important information to the market, consistent with the Amended CTA/CQ Plan. The Exchange believes these provisions strike the right balance in outlining a process to address unforeseen events without preventing SROs from taking action needed to protect the market.

The Exchange believes that the proposed rules, which make halts more consistent across exchange rules, are consistent with the Act in that they will foster cooperation and coordination with persons engaged in regulating the equities markets. In particular, the Exchange believes it is important for SROs to coordinate when there is a widespread and

significant event, as multiple Trading Centers are impacted in such an event. Further, while the Exchange recognizes that the proposed rule will not guarantee a consistent result on every market in all situations, the Exchange does believe that it will assist in that outcome. While the proposed rules relating to Regulatory Halts focuses primarily on the kinds of cross-market events that would likely impact multiple markets, individual SROs will still retain flexibility to deal with unique products or small situations confined to a particular market. To that end, the Exchange has retained existing elements of Chapter XIV that focus on its unique products and the processes it has developed over time to interact with its issuers.

Also consistent with the Act, and with the Amended CTA/CQ Plan, is the Exchange's proposal in Rule 11.29(c) to address Operational Halts, which are non-regulatory in nature and apply only to the exchange that calls the halt. As noted earlier, the Exchange presently has the ability to implement operational halts and local trading suspensions, but such halts are not currently referred to as "operational halts" in the Exchange's rules.[46] The Exchange also notes that its proposed Rule 11.29(c) regarding Operational Halts is substantially identical to the revised NYSE Arca, Nasdaq PHLX, MIAX Pearl, and MEMX rules cited above,[47] and is therefore not novel.

The Exchange believes that the markets would benefit from greater clarity regarding when an Operational Halt may be appropriate. In part, the proposed change is designed to cover situations similar to those that might constitute a Regulatory Halt, but where the impact is limited to a single market. For example, just as a market disruption

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46 See Rule 11.1(c).

47 Supra note 6.

might trigger a Regulatory Halt for Extraordinary Market Activity if it affects multiple markets, so could a disruption at the Exchange, such as a technical issue affecting trading in one or more securities, impact trading on the Exchange so significantly that an Operational Halt is appropriate in one or more securities. In such an instance, it would be in the public interest to institute an Operational Halt to minimize the impact of a disruption that, if trading were allowed to continue, might negatively affect a greater number of market participants. An Operational Halt does not implicate other Trading Centers.

The Exchange believes that its proposal to introduce Rule 11.24(f) is consistent with the Act because it will describe the Exchange's ability to accept and process orders during an Operational Halt and describe the re-opening process for securities subject to an Operational Halt, which will provide clarity to market participants about how their orders will behave during an Operational Halt and describe how a security subject to an Operation Halt will resume trading.

The Exchange believes that it is consistent with the Act to reorganize the text related to Market-Wide Circuit Breakers currently codified in Rule 11.18(a) – (d), (f) – (j) into Rule 11.30 as it would provide clarity to market participants and better align with how the rules of other market centers are currently organized.

Item 4. <u>Self-Regulatory Organization's Statement on Burden on Competition</u>

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.

Importantly, the Exchange believes the proposal will not impose a burden on intermarket competition but will rather alleviate any burden on competition because it is the result of a collaborative effort by all SROs to harmonize and improve the process related to the halting and resumption of trading in U.S.-listed equity securities, consistent with the Amended CTA/CQ Plan. In this area, the Exchange believes that all SROs should have consistent rules to the extent possible in order to provide additional transparency and certainty to market participants and to avoid inconsistent outcomes that could cause confusion and erode market confidence. The proposed changes would ensure that all SROs handle the situations covered therein in a consistent manner and ensure that all Trading Centers handle a Regulatory Halt consistently. The Exchange understands that all other Primary Listing Markets intend to file proposals that are substantially similar to this proposal.

The Exchange does not believe that its proposals concerning Operational Halts impose an undue burden on competition. Under the existing Rules, the Exchange already possesses discretionary authority to impose Operational Halts for various reasons, including because of an order imbalance or influx that causes another national securities exchange to impose a trading halt in a security, or because another national securities exchange imposes an operational halt in a security that is a derivative or component of a security listed on BZX. As described earlier, the proposed Rule change clarifies and broadens the circumstances in which the Exchange may impose such Halts, and specified procedures for both imposing and lifting them. The Exchange does not intend for these proposals to have any competitive impact whatsoever. Indeed, the Exchange expects that

other exchanges will adopt similar rules and procedures to govern operational halts, to the extent that they have not done so already.

The Exchange does not believe that the proposed rule change imposes a burden on intramarket competition because the provisions apply to all market participants equally. In addition, information regarding the halting and resumption of trading will be disseminated using several freely accessible sources to ensure broad availability of information in addition to the SIP data and proprietary data feeds offered by the Exchange and other SROs that are available to subscribers.

In addition, the proposals include several provisions related to the declaration and timing of trading halts and the resumption of trading designed to avoid any advantage to those who can react more quickly than other participants. The proposed rule gives the Exchanges the ability to declare the timing of a Regulatory Halt immediately. The SROs retain the discretion to cancel trades that occur after the time of the Regulatory Halt. The proposals also allow for the staggered resumption of trading to assist firms in reentering the market after a SIP Halt affecting multiple securities, in order to reopen in a fair and orderly manner. In addition, the proposals encourage early and frequent communication among the SROs, SIPs and market participants to enable the dissemination of timely and accurate information concerning the market to market participants.

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 Act[48] and Rule 19b-4(f)(6)[49] 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 proposed Rules set forth by the Exchange are intended to harmonize and improve the process related to Regulatory and Operational Halts on all SROs by providing clarity around when the Exchange may impose such halts and resume trading after such halts, consistent with the Amended CTA/CQ Plan and Amended Nasdaq UTP Plan. This proposed rule change will not significantly affect the protection of investors or the public interest because it seeks to provide a set of rules designed to promote

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48 15 U.S.C. 78s(b)(3)(A).

49 17 CFR 240.19b-4(f)(6).

transparency and avoid inconsistent outcomes in events that would otherwise have the potential to cause confusion and erode market confidence. This proposed rule change will also not impose any significant burden on competition because the proposed Rules will apply to all market participants equally and each national securities exchange and FINRA is expected to file substantively identical proposals, thereby ensuring consistency across market centers without implicating any competitive issues.

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 changes implement the trading halt amendments adopted by the CTA/CQ Plans, see Securities Exchange Act Release No. 34-92070 (May 28, 2021), 86 FR 29849 (June 3, 2021) (SR-CTA/CQ-2021-01), and will make the Exchange's rules concerning halts consistent with those of the other Primary Listing Markets.

In addition, the proposal is similar to proposals that The Nasdaq Stock Market LLC ("Nasdaq") and NYSE Arca ("Arca") filed with the Commission,[50] except that the Exchange's proposal contains halt and re-opening procedures unique to the Exchange. Such differences do not raise any novel or controversial issues as the Exchange currently possesses the ability to initiate halts and the intent of the proposal is to align the Exchange's rules with other Primary Listing Markets, each of whom are expected to file similar proposals.

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 2-4. Not applicable.

Exhibit 5. Proposed rule text.

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[50] See Securities Exchange Act Release No. 95069 (June 8, 2022), 87 FR 36018 (June 14, 2022) (SR-NASDAQ-2022-017) ("Nasdaq SIP Halt Filing"); Securities Exchange Act Release No. 103476 (July 16, 2025), 90 FR 34314 (July 21, 2025) (SR-NYSEARCA-2025-50) ("NYSE Arca SIP Halt Filing").

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34- ; File No. SR-CboeBZX-2026-017]

[Insert date]

Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Adopt Rules 11.29 and 11.30 to Integrate Several Definitions and Concepts from the Amended CTA/CQ Plan and to Reorganize Existing Rule 11.18 in Light of the Exchange's Experience with Applying the Rule During its Time as a National Securities Exchange and to Make Conforming Changes to Related Rules

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 Act[3] 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. (the "Exchange" or "BZX") is filing with the Securities and Exchange Commission ("Commission") a proposal to adopt Rules 11.29 and 11.30 to integrate several definitions and concepts from the Amended CTA/CQ Plan and to

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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).

reorganize existing Rule 11.18 in light of the Exchange's experience with applying the rule during its time as a national securities exchange and to make conforming changes to related rules. 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 (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

In conjunction with adoption of amended CTA/CQ Plans proposed by its participants ("Amended CTA/CQ Plan"),[5] the Exchange proposes to adopt Rules 11.29 and

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[5] On February 23, 2021, the participants of the CTA/CQ Plans filed Amendment 36 to the CTA Plan and Amendment 27 to the CQ Plan, to revise provisions governing regulatory and operational halts. See Letter from Robert Books, Chairman, Operating Committee, CTA/CQ Plans, to Vanessa Countryman, Secretary, Securities and Exchange Commission, dated February 3, 2021. The SEC approved the amendments on May 28, 2021. See Securities Exchange Act Release No. 34-92070 (May 28, 2021), 86 FR 29849 (June 3, 2021) (SR-CTA/CQ-2021-01). The Amended CTA/CQ Plans includes provisions requiring participant self-regulatory organizations ("SROs") to honor a Regulatory Halt declared by the Primary Listing Market. The provisions in the CTA/CQ Plans, and the plan for consolidation of data for NASDAQ-listed securities, The Joint Self-Regulatory Organization Plan Governing The Collection, Consolidation and Dissemination of Quotation and Transaction Information For NASDAQ-Listed Securities Traded on Exchanges on an Unlisted Trading Privilege Basis ("UTP Plan"), include provisions similar to the changes proposed by the

11.30 to integrate several definitions and concepts from the Amended CTA/CQ Plan and to reorganize existing Rule 11.18 in light of the Exchange's experience with applying the rule during its time as a national securities exchange.[6] Current Rule 11.18 would be reorganized to include only the Limit Up-Limit Down Mechanism.[7] Proposed Rule 11.29 would be entitled "Trading Halts" and would set forth the Exchange's authority to halt trading under various circumstances. Proposed Rule 11.30 would be entitled "Trading Halts Due to Extraordinary Market Volatility" and would contain the rule text related to Market-Wide Circuit Breakers currently codified in Rule 11.18(a) – (d), (g) – (j). In addition, the Exchange is updating cross references in other rules that are affected by the proposed changes and making non-substantive formatting changes in related rules.[8]

Background

Exchange in this filing.

6 The Exchange notes that it is a participant of the transaction reporting plan governing Tape B securities. Each transaction reporting plan has a securities information processor ("SIP") responsible for consolidation of information for the plan's securities, pursuant to Rule 603 of Regulation NMS. The transaction reporting plans for BZX-listed securities are known as the "Consolidated Tape System and Consolidated Quotations System Plan (collectively, the "CTA/CQ Plans"). Pursuant to the CTA/CQ Plans, the Securities Industry Automation Corporation ("SIAC") consolidates order and trade data from all markets trading BZX-listed securities. The Exchange uses the term "CTA/CQ SIP" herein when referring specifically to the SIP responsible for consolidation of information in BZX-listed securities.

7 See Securities Exchange Act Release No. 88704 (April 21, 2020), 85 FR 23383 (April 27, 2020) (File No. 4-631) (approving the Twentieth Amendment to the National Market System Plan to Address Extraordinary Market Volatility).

8 The Exchange notes that this proposed rule change is based on a similar rule change filed by the NYSE Arca, Inc. ("Arca") that was approved by the SEC in 2025. See Securities Exchange Act Release No. 103476 (July 16, 2025), 90 FR 34314 (July 21, 2025), SR-NYSEARCA-2025-50. In addition, the Exchange's affiliate exchanges, Cboe BYX Exchange, Inc. ("BYX"), Cboe EDGA Exchange, Inc. ("EDGA"), and Cboe EDGX Exchange, Inc. ("EDGX"), which do not operate Primary Listing Markets will file similar rule changes. Several exchanges that do not operate Primary Listing Markets have also filed similar rule changes. See Securities Exchange Act Release No. 96574 (December 22, 2022), 87 FR 80213 (December 29, 2022), SR-PHLX-2022-49; Securities Exchange Act Release No. 97093 (March 9, 2023), 88 FR 16045 (March 15, 2023), SR-PEARL-2023-11; and Securities Exchange Act Release No. 97824 (June 29, 2023), 88 FR 43159 (July 6, 2023), SR-MEMX-2023-11.

The Exchange has been working with other SROs to establish common criteria and procedures for halting and resuming trading in equity securities in the event of regulatory or operational issues. These common standards are designed to ensure that events which might impact multiple exchanges are handled in a consistent manner that is transparent. The Exchange believes that implementation of these common standards will assist the SROs in maintaining fair and orderly markets. Notwithstanding the development of these common standards, the Exchange will retain discretion in certain instances as to whether and how to handle halts, as is described below.

Every U.S.-listed equity security has its primary listing on a specific stock exchange that is responsible for a number of regulatory functions ("Primary Listing Market").[9] These include confirming that the security continues to meet the exchange's listing standards, monitoring trading in that security and taking action to halt trading in the security when necessary to protect investors and to ensure a fair and orderly market. While these core responsibilities remain with the primary listing venue, trading in the security can occur on multiple exchanges that have unlisted trading privileges for the security[10] or in the over-the-counter market, regulated by the Financial Industry Regulatory Authority, Inc. ("FINRA"). The exchanges and FINRA are responsible for monitoring activity on the markets over which they have oversight, but also must abide by the regulatory decisions made by the Primary Listing Market. For example, a venue trading a security pursuant to

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9 The Exchange is proposing to adopt Primary Listing Market as a new term, defined in the CTA/CQ Plan, Section XI(a)(i)(H), as follows: "[T]he national securities exchange on which an Eligible Security is listed. If an Eligible Security is listed on more than one national securities exchange, Primary Listing Market means the exchange on which the security has been listed the longest."

10 In addition, securities may also be listed on the New York Stock Exchange or the Nasdaq Stock Market ("dually listed"). See Rules 14.1(a)(7), 14.3(d) and Interpretation and Policy .01 thereunder.

unlisted trading privileges must halt trading in that security during a Regulatory Halt, which is a defined term under the proposed rules,[11] and may only trade the security once the Primary Listing Market has cleared the security to resume trading.

All SROs have rules that require them to honor a Regulatory Halt. The Exchange, as a Primary Listing Market, also has rules outlining the circumstances in which it will halt trading in its listed securities, including situations in which such halts are for regulatory purposes – and therefore are applicable to all markets trading the security – or for operational purposes, which would not halt trading on other markets.[12] However, the trading halt rules are not consistent across SROs. Consequently, events that might constitute a Regulatory Halt for securities listed on one Primary Listing Market theoretically might not be grounds for a Regulatory Halt in securities listed on another Primary Listing Market. Such inconsistency among exchange rules could lead to confusion in circumstances such as a cross-market event, including, for example "Extraordinary Market Activity."[13]

While the existing rule generally has worked as intended to afford the Exchange authority to initiate a Regulatory Halt in appropriate cases, the Exchange proposes to amend its rules to conform to the Amended CTA/CQ Plan.

The complex and interconnected market structure in the United States also relies on consolidated market data processed and disseminated by the SIPs. In certain circumstances, the loss of this information or issues with the accuracy or timeliness of the information

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[11] See proposed Rule 11.29(a)(12).

[12] See e.g., Rules 11.1(c), 11.18, and 14.6.

[13] The proposed definition of Extraordinary Market Activity encompasses a market event that affects multiple markets. See proposed Rule 11.29(a)(2) (incorporating by reference Amended CTA/CQ Plan, Section XI(a)(i)). Thus, such cross-market events could be considered Extraordinary Market Activity.

might cause a Primary Listing Market to determine that a trading halt is appropriate. The Exchange believes that providing further guidance in its rules will assist market participants in better understanding how various scenarios could be handled.

As noted above, the proposed changes that would be uniformly applied across SROs are those that relate to cross-market events as set forth in the Amended CTA/CQ Plan. However, there will still be situations where personnel at the Primary Listing Market will need to determine the impact of the cross-market event on the securities listed on its market and use discretion in deciding whether to halt trading in some or all securities during a cross-market event that affects securities listed on different markets. In making a determination as to whether to declare a Regulatory Halt, the Primary Listing Market will consider the totality of information available concerning the severity of the issue, its likely duration, and potential impact on Members[14] and other market participants, and it will make a good-faith determination that the criteria for declaring a Regulatory Halt have been satisfied and that a Regulatory Halt is appropriate. Moreover, the Primary Listing Market will consult, if feasible, with the affected Trading Center(s), other Plan Participants, or the Processor, as applicable, regarding the scope of the issue and what steps are being taken to address the issue. Once a Regulatory Halt has been declared, the Primary Listing Market would continue to evaluate the circumstances to determine when trading may resume in accordance with its rules.

While the Exchange and the other SROs intend to harmonize certain aspects of their trading halt rules, other elements of the rules will continue to be unique to each market. The

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[14] See Rule 1.5(n). The term "Member" shall mean any registered broker or dealer that has been admitted to membership in the Exchange.

Exchange believes that this is appropriate to reflect different products listed or traded on each market and the unique relationship of the Primary Listing Market to its listed companies. It is anticipated that these unique rules would most likely be invoked in cases where the Primary Listing Market's decision on whether to institute a Regulatory Halt turns on specific information related to an individual security or issuer, such as the dissemination of material news and the issuer's ability to meet listing standards, rather than broader market issues stemming from Extraordinary Market Activity or loss of consolidated market data from a SIP.

In addition to the changes noted above, the Exchange proposes non-substantive changes to modify certain rules that cross reference existing Rule 11.18 in order to reflect proposed Rules 11.29 and 11.30. The Exchange will implement all of the changes proposed herein in conjunction with other SROs implementing the necessary rule changes. The Exchange will publish a Trade Desk Notice at least 30 business days prior to implementing the proposed changes.

Proposed Exchange Rule Changes

The Exchange proposes to introduce Rule 11.29 and Rule 11.30 to integrate several definitions and concepts from the Amended CTA/CQ Plan and to reorganize existing Rule 11.18 in light of the Exchange's experience with applying the rule during its time as a national securities exchange. Proposed Rule 11.29 would be entitled "Trading Halts" and would set forth the Exchange's authority to halt trading under various circumstances. Proposed Rule 11.30 would be entitled "Trading Halts Due to Extraordinary Market Volatility" and would contain the rule text related to Market-Wide Circuit Breakers currently codified in Rule 11.18(a) – (d), (g) – (j). The Exchange proposes to re-name

current Rule 11.18 as "Limit Up-Limit Down Mechanism" and renumber the existing rule text related to the Limit Up-Limit Down Mechanism following the removal of the rule text related to Market-Wide Circuit Breakers. In addition, the Exchange is updating cross references in other rules that are affected by the proposed changes and making non-substantive formatting changes in related rules.

Definitions

The Exchange proposes adding a definitions section as Rule 11.29(a) to consolidate the various definitions that will be used in the Rule, some of which are taken from the Amended CTA/CQ Plan. The Exchange is adopting the following terms from the Amended CTA/CQ Plan: "Extraordinary Market Activity," "Material SIP Latency," "Operating Committee," "Operational Halt," "Primary Listing Market," "Processor,"[15] "Regulatory Halt," "Trading Center," "SIP Halt," "SIP Halt Resume Time," "SIP Outage," "Limit Up Limit Down" and "Market-Wide Circuit Breaker." The definitions of "After Hours Trading Session," "Pre-Opening Session," "Regular Trading Hours," "UTP Security," and "UTP Derivative Security" are currently defined in Rules 1.5(c), (r), (w), and (ee), respectively, and have been cross-referenced in the definitions section.[16] The Exchange also proposes to adopt a definition for "Derivative Securities Products" that is unique to proposed Rule 11.29.

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15 The Exchange proposes to also define the term "SIP" to have the same meaning as the term "Processor" as set forth in the Amended CTA/CQ Plan. Because the terms "Processor" and "SIP" are also used throughout the Rules, at time, to apply to processors of information furnished pursuant to the Nasdaq UTP Plan ("UTP Plan"), the term "Processor" may, in those applicable circumstances, refer to the processor of transactions in Tape C securities, as set forth in the UTP Plan.

16 As noted above, the Exchange is adopting several new terms that have the same meaning as those terms are defined in the Amended CTA/CQ Plans. Each of the national market system plans governing the single plan processors have identical definitions of these terms, thus there will be uniformity in the meaning of the terms among such plans as well as among the rules of the SROs.

First, the Exchange proposes to add the definition of "Primary Listing Market"[17] to Rule 11.29(a), which will have the same meaning as in the Amended CTA/CQ Plan, Section XI(a)(i)(H). As is currently the case under Rule 14.3, Interpretation and Policy .01 and under the Amended CTA/CQ Plan, all Regulatory Halt decisions are made by the market on which the security has its primary listing. This reflects the regulatory responsibility that the Primary Listing Market has for fair and orderly trading in the securities that list on its market and its direct access to its listed companies, which are required to advise it of certain events and maintain lines of communication with the Primary Listing Market. The proposed definition makes clear that if a security is listed on more than one market (a dually-listed security), the Primary Listing Market means the exchange on which the security has been listed the longest. This provision matches the language used in the definition of "Primary Listing Exchange" in the Limit Up-Limit Down Plan and will avoid conflict in the event of dually-listed securities.

Second, the Exchange proposes to add a definition for the term "Extraordinary Market Activity" as found in Section XI(a)(i)(A) of the Amended CTA/CQ Plan.[18] The Exchange notes that the three scenarios included in the proposed new definition would not be exhaustive. This enables the Primary Listing Market to act in the best interests of the

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17 See proposed Rule 11.29(a)(10).

18 "Extraordinary Market Activity" means a disruption or malfunction of any electronic quotation, communication, reporting, or execution system operated by, or linked to, the Processor or a Trading Center or a member of such Trading Center that has a severe and continuing negative impact, on a market-wide basis, on quoting, order, or trading activity or on the availability of market information necessary to maintain a fair and orderly market. For purposes of this definition, a severe and continuing negative impact on quoting, order, or trading activity includes (i) a series of quotes, orders, or transactions at prices substantially unrelated to the current market for the security or securities; (ii) duplicative or erroneous quoting, order, trade reporting, or other related message traffic between one or more Trading Centers or their members; or (iii) the unavailability of quoting, order, or transaction information for a sustained period.

market when confronted with unexpected events. However, the Exchange believes that the three scenarios included in the rule cover many of the events that are most likely to occur.

The third set of new proposed definitions would be specific to events involving the SIP. While the Exchange recognizes that many events involving the SIP would also meet the definition of "Extraordinary Market Activity" as defined in the Amended CTA/CQ Plan, the Exchange believes that the critical role of the SIPs in market infrastructure factors in favor having the Exchange's rules specify how such events would be handled. The definitions of "SIP Outage,"[19] "Material SIP Latency,"[20] "SIP Halt Resume Time,"[21] and "SIP Halt"[22] are intended to provide specificity to address this subset of potential market issues. In addition, the Exchange is proposing to define terms related to SIP governance needed in order to understand these definitions:

- "Processor" or "SIP"[23] have the same meaning as the term "Processor" set forth in the Nasdaq UTP Plan or the CTA Plan, as applicable.[24]
- "SIP Plan"[25] would be defined as "the national market system plan governing the SIP, as applicable."

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19 See proposed Rule 11.29(a)(16).

20 See proposed Rule 11.29(a)(7).

21 See proposed Rule 11.29(a)(15).

22 See proposed Rule 11.29(a)(14).

23 See proposed Rule 11.29(a)(11).

24 See, e.g., Amended CTA Plan, Section I(x), which provides: "'Processor' means the organization designated as recipient and processor of last sale price information furnished by Participants pursuant to this CTA Plan, as Section V describes."

25 See proposed Rule 11.29(a)(17).

- "Operating Committee"[26] is defined as having the same meaning as in the CTA/CQ Plan, namely the committee charged with administering the CTA/CQ Plan.
- "Trading Center" would have the same meaning as in Rule 600(b)(95) of Regulation NMS.

The Exchange is proposing to adopt a category of Regulatory Halt, called a "SIP Halt,"[27] which will have the same meaning as that term is defined in Section XI(a)(i)(K) of the CTA/CQ Plan, namely "a Regulatory Halt to trading in one or more securities that a Primary Listing Market declares in the event of a SIP Outage or Material SIP Latency." This new category of Regulatory Halt will address situations where the Primary Listing Market declares a Regulatory Halt in one or more securities as a result of a SIP Outage[28] or Material SIP Latency.[29]

The Exchange proposes to add a definition of "Regulatory Halt,"[30] which would be a new defined term that incorporates the Exchange's existing regulatory halt authority as well as the proposed new regulatory halt authority. The Exchange proposes that the term

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26 See proposed Rule 11.29(a)(8).

27 See proposed Rule 11.29(a)(14).

28 See Amended CTA/CQ Plan, Section XI(a)(i)(M). "SIP Outage" means "a situation in which the Processor has ceased, or anticipates being unable, to provide updated and/or accurate quotation or last sale price information in one or more securities for a material period that exceeds the time thresholds for an orderly failover to backup facilities established by mutual agreement among the Processor, the Primary Listing Market for the affected securities, and the Operating Committee unless the Primary Listing Market, in consultation with the Processor and the Operating Committee, determines that resumption of accurate data is expected in the near future."

29 See Amended CTA/CQ Plan, Section XI(a)(i)(E). "Material SIP Latency" means "a delay of quotation or last sale price information in one or more securities between the time data is received by the Processor and the time the Processor disseminates the data over the Processors vendor lines, which delay the Primary Listing Market determines, in consultation with, and in accordance with, publicly disclosed guidelines established by the Operating Committee, to be (a) material and (b) unlikely to be resolved in the near future."

30 See proposed Rule 11.29(a)(12).

would have the same meaning as in Section XI(a)(i)(J) of the Amended CTA/CQ Plan, as follows:

> a halt declared by the Primary Listing Market in trading in one or more securities on all Trading Centers for regulatory purposes, including for the dissemination of material news, news pending, suspensions, or where otherwise necessary to maintain a fair and orderly market. A Regulatory Halt includes a trading pause triggered by Limit Up Limit Down,[31] a halt based on Extraordinary Market Activity, a trading halt triggered by a Market-Wide Circuit Breaker,[32] and a SIP Halt.

The term "Regulatory Halt" would include the various existing reasons for a Regulatory Halt that are currently enumerated in the Exchange's rules, as well as the proposed new categories of Regulatory Halt from the Amended CTA/CQ Plan: (1) a SIP Halt (due to a SIP Outage or Material SIP Latency), (2) a halt based on Extraordinary Market Activity, and (3) a halt in the event of a national, regional, or localized disruption that necessitates a Regulatory Halt to maintain a fair and orderly market. The Exchange proposes to move the Market-Wide Circuit Breaker rules in their entirety from Rule 11.18 to proposed Rule 11.30, in order to improve clarity.

Next, the Exchange proposes to add a definition of "Operational Halt,"[33] which would be a new definition for the Exchange. The Exchange proposes that this term would

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[31] The Exchange proposes to incorporate the Amended CTA Plan's definition of "Limit Up Limit Down." See proposed Rule 11.29(a)(5).

[32] The Exchange proposes to incorporate the Amended CTA Plan's definition of "Market-Wide Circuit Breaker." See proposed Rule 11.29(a)(6).

[33] See proposed Rule 11.29(a)(9).

have the same meaning as the Amended CTA/CQ Plans.[34] An Operational Halt is effective only on BZX; other markets are not required to halt trading in the impacted securities. In practice, the Exchange has always had the capacity to implement operational halts in specified circumstances, but such halts are not currently referred to as "operational halts" in the Exchange's rules.[35] The proposed change would provide greater clarity on when an Operational Halt may be implemented and the process for halting and resuming trading in the event of an Operational Halt. An Operational Halt is not a Regulatory Halt.

Finally, the Exchange proposes to introduce a definition of "Derivative Securities Product."[36] The Exchange notes that this term is similar to the term "Derivative Security" in Rule 1.5(dd), but provides additional specificity as to the exact products under Chapter XIV that the Exchange would classify as a Derivative Securities Product for purposes of proposed Rule 11.29. The term "Derivative Securities Product" means a series of Portfolio Depositary Receipts, Index Fund Shares, Managed Fund Shares, Trust Issued Receipts, Managed Portfolio Shares, Exchange-Traded Fund Shares, Tracking Fund Shares, and Class ETF Shares (as defined in Rule 14.11(b), 14.11(c), 14.11(i), 14.11(f), 14.11(k), 14.11(l), 14.11(m), and 14.11(n) respectively), a series of Commodity-Related Securities (as defined in Rule 14.11(d)), securities representing interests in unit investment trusts or investment companies, Index-Linked Exchangeable Notes, Equity Gold Shares, Trust Certificates, Commodity-Based Trust Shares, Commodity Index Trust Shares, Commodity Futures Trust Shares, Partnership Units, Trust Units, Managed Trust Securities, or Currency Warrants (as

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34 See Amended CTA/CQ Plan, Section XI(a)(i)(G). An "Operational Halt" means a halt in trading in one or more securities only on a Market declared by such Participant and is not a Regulatory Halt.

35 See Rule 11.1(c).

36 See proposed Rule 11.29(a)(2).

defined in Rule 14.11(e)(1) – (11)), or any other UTP Derivative Security (as described in Rule 14.11(j)).

Regulatory Halts

Proposed Rule 11.29(b) would set forth requirements relating to Regulatory Halts.

Authority to Initiate a Regulatory Halt

The Exchange proposes to consolidate the various types of situations that form the basis for declaring a Regulatory Halt in proposed Rule 11.29(b)(1). In this subsection, the Exchange would identify all of the bases for its Regulatory Halt authority, including cross-referencing to current rules describing existing halt authority and by adding the new Regulatory Halt authority consistent with the Amended CTA/CQ Plan.

Proposed Rule 11.29(b)(1)(A) describes "Mandatory Halts," where the Exchange must issue a Regulatory Halt. The proposed rule would identify four categories of mandatory Regulatory Halts:

- Pursuant to Proposed Rule 11.29(b)(1)(A)(i) regarding the Market-Wide Circuit Breakers, which will be retained without modification in proposed Rule 11.30 (currently codified in Rule 11.18(a) – (d); (f) – (j)). This proposed rule would effectuate the definition of Regulatory Halt in proposed Rule 11.29(a)(10), which cross-references Section XI(a)(i)(J) of the Amended CTA/CQ Plan.
- Pursuant to Proposed Rule 11.29(b)(1)(A)(ii) regarding the Limit Up-Limit Down Plan (proposed Rule 11.18). This proposed rule would effectuate the definition of Regulatory Halt in proposed Rule 11.29(a)(10), which cross-references Section XI(a)(i)(J) of the Amended CTA/CQ Plan.

- Pursuant to Proposed Rule 11.29(b)(1)(A)(iii) when the Exchange becomes aware that a Derivative Securities Product (or in the case of Index Fund Shares, Managed Fund Shares, Managed Trust Securities, Managed Portfolio Shares, or Tracking Fund Shares, a Disclosed Portfolio, holdings, Fund Portfolio, or Tracking Basket, as applicable) is not being disseminated to all participants at the same time. The Exchange will maintain the trading halt until such time as the Exchange becomes aware that the required value is available to all market participants at the same time. This proposed rule text is based on authority found in current Rule 14.11, generally, and would effectuate Section XI(a)(iii)(1) of the Amended CTA/CQ Plan, which provides that a Primary Listing Exchange may declare a Regulatory Halt "as provided for in the rules of the Primary Listing Market."
- As provided for elsewhere in the Rules of the Exchange, including but not limited to Rules 11.1, 11.23, 14.6, 14.8, 14.9, 14.10, 14.11(b) – (g), 14.11(i) – (n), and 14.12 concerning requirements for listing, delisting, and maintaining listings of certain types of securities, and regarding the public dissemination of material information (Proposed Rule 11.29(b)(1)(A)(iv). This proposed rule text is based on authority found in current Rules 11.1 and 14.11, generally, and would effectuate Section XI(a)(iii)(1) of the Amended CTA/CQ Plan, which provides that a Primary Listing Exchange may declare a Regulatory Halt "as provided for in the rules of the Primary Listing Market."

Proposed Rule 11.29(b)(1)(B) would describe "Discretionary Halts," where "the Exchange may declare a Regulatory Halt in trading for any security for which it is the Primary Listing Market." The proposed rule would list four bases for the Exchange to declare a discretionary Regulatory Halt:

- Pursuant to Proposed Rule 11.29(b)(1)(B)(i) when the Exchange determines that there is Extraordinary Market Activity, a SIP Outage, or Material SIP Latency. This proposed rule would effectuate Section XI(a)(iii)(2) of the Amended CTA/CQ Plan, which provides this authority.
- Pursuant to Proposed Rule 11.29(b)(1)(B)(ii), as provided for elsewhere in the Rules of the Exchange, including but not limited to Rules 11.1, 11.23, 14.6, 14.8, 14.9, 14.10, 14.11(b) – (g), 14.11(i) – (n), and 14.12 concerning requirements for listing, delisting, and maintaining listings of certain types of securities, and regarding the public dissemination of material information.
- Pursuant to Proposed Rule 11.29(b)(1)(iii), based on a consideration of the following factors: (A) trading in the underlying securities comprising the index or portfolio applicable to that series has been halted in the primary market(s); (B) the extent to which trading has ceased in securities underlying the index or portfolio; or (C) the presence of other unusual conditions or circumstances detrimental to the maintenance of a fair and orderly market. This proposed rule text would effectuate Section XI(a)(iii)(1) of the Amended CTA/CQ Plan, which provides that a Primary Listing Exchange may declare a Regulatory Halt "as provided for in the rules of the Primary Listing Market."

- Pursuant to Proposed Rule 11.29(b)(1)(B)(iv) in the event of a national, regional, or localized disruption that necessitates a Regulatory Halt to maintain a fair and orderly market. This proposed rule would effectuate Section XI(a)(iii)(3) of the Amended CTA/CQ Plan, which provides this authority.

Communications

Proposed Rule 11.29(b)(2) would describe communications, consistent with Section XI(a)(viii) of the Amended CTA/CQ Plan. The proposed rule would provide that whenever, in the exercise of its regulatory functions, the Exchange as Primary Listing Market determines it is appropriate to initiate a Regulatory Halt, it will notify all other Participants and the Processor of such Regulatory Halt as well as provide notice that a Regulatory Halt has been lifted using such protocols and other emergency procedures as may be mutually agreed to between the Operating Committee and the Exchange. The Processor shall disseminate to Participants notice of the Regulatory Halt (as well as notice of the lifting of a Regulatory Halt) through the high speed line or through the "high speed line" under the CQ Plan, and any other means the Processor, in its sole discretion, considers appropriate. Each Participant shall be required to continuously monitor these communication protocols established by the Operating Committee and the Processor during market hours, and the failure of a Participant to do so shall not prevent the Exchange from initiating a Regulatory Halt in accordance with the SIP Plan and the procedures specified in these rules.

Initiating a Regulatory Halt

Proposed Rule 11.29(b)(3) would specify how the Exchange, as a Primary Listing Market, would initiate a Regulatory Halt. The proposed rule is consistent with the

procedures for initiating a Regulatory Halt is set forth in Section XI(a)(iv) of the Amended CTA/CQ Plan.

Proposed Rule 11.29(b)(3)(A) would provide, consistent with Section XI(a)(iv)(A) of the Amended CTA/CQ Plan, that the start time of a Regulatory Halt is the time the Exchange or the Primary Listing Market declares the Halt, regardless of whether communications issues impact the dissemination of notice of the Halt. This proposal would provide market participants with certainty on the official start time of the Regulatory Halt. Under the proposed rule, the start time is fixed by the Primary Listing Market; it is not dependent on whether notice is disseminated immediately. This will avoid possible disagreement if the Halt time were tied to dissemination or receipt of notification, which may occur at different times. The Exchange recognizes that in situations where communication is interrupted, trades may continue to occur until news of the Halt reaches all Trading Centers. However, a fixed "official" Regulatory Halt time will allow SROs to revisit trades after the fact and determine in a consistent manner whether specific trades should stand.

Second, proposed Rule 11.29(b)(3)(B) would provide, consistent with Section XI(a)(iv)(B) of the Amended CTA/CQ Plan, that if the SIP is unable to disseminate notice of a Regulatory Halt or the Exchange is not open for trading, the Exchange would take reasonable steps to provide notice of a Regulatory Halt in the manner set forth in the Amended CTA/CQ Plan. Currently, after receiving notice from the Primary Listing Market, the SIP disseminates automated, machine-readable trade halt messages to notify Trading Centers to automatically halt their order matching and order dissemination systems. Many Trading Centers rely solely on such SIP dissemination of a Regulatory Halt. Proposed Rule

11.29(b)(3)(B) would provide that the Exchange would take additional, reasonable steps to notify Trading Centers of a Regulatory Halt. The Amended CTA/CQ Plan provides that if the SIP is unable to disseminate notice of a Regulatory Halt, the other available means of dissemination that a Primary Listing Market could use would include:

- Proprietary data feeds that contain the same quote and trade information that the Exchange also sends to the applicable SIP;
- Posting on a publicly available Exchange website; or
- System status messages that are disseminated to market participants who choose to sign up to receive such messages.[37]

These additional sources for notice of a Regulatory Halt would provide redundancy if either the SIP or the Exchange is unable to communicate via the existing automated procedures. Although it may take longer for participants to react to messages received in less automated formats, the use of multiple forms of dissemination will increase the likelihood that participants receive important information. It will also assist participants who do not subscribe to the Exchange's proprietary feeds in getting regulatory notices. As noted above, in situations where communication is interrupted the Exchange and other SROs would retain the ability to break trades that occurred after the start of the Regulatory Halt in appropriate circumstances, thereby lessening the potential impact on participants that were delayed in halting trading.

Proposed Rule 11.29(b)(3)(C) would provide, consistent with Section XI(a)(iv)(C) of the Amended CTA/CQ Plan, that except in exigent circumstances, the Exchange would not declare a Regulatory Halt retroactive to a time earlier than the notice of such halt.

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[37] See Amended CTA/CQ Plan, Section XI(a)(iv)(B)(1) – (3).

Feedback from market participants has been that it is very disruptive to trading when the Primary Listing Market sets the start of a trading halt for a time earlier than the notice of the halt.[38] Therefore, in almost all situations, the trading halt will start at the time of the notice or at a point in time thereafter. However, the Exchange retains the authority to implement a retroactive halt to deal with unexpected and significant situations that represent exigent circumstances. While it is difficult in advance to provide an exhaustive list of when retroactive application of a trading halt would be in the public interest, one situation where a halt was applied retroactively was when the Primary Listing Market erroneously lifted a Regulatory Halt. In that case, the Primary Listing Market instituted a Regulatory Halt retroactively so that it coincided with the time the original halt was lifted in error.

Proposed Rule 11.29(b)(3)(D) would provide, consistent with Section XI(a)(iii)(B) of the Amended CTA/CQ Plan, that in making a determination to declare a Regulatory Halt in trading any security for which the Exchange is the Primary Listing Market, the Exchange will consider the totality of information available concerning the severity of the issue, its likely duration, and potential impact on Members and other market participants and will make a good-faith determination that the criteria for declaring the Regulatory halt have been satisfied and that a Regulatory Halt is appropriate. The Exchange will consult, if feasible, with the affected Trading Center(s), other SIP Plan Participants, or the Processor, as applicable, regarding the scope of the issue and what steps are being taken to address the issue. Once a Regulatory Halt has been declared, the Exchange will continue to evaluate the circumstances to determine when trading may resume in accordance with its Rules.

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[38] As noted previously, the start time of a Regulatory Halt is measured as the point in time when the Primary Listing Market declares the halt, regardless of whether there is a delay in dissemination of the notice or in receipt of the notice by participants.

UTP Regulatory Halt

Proposed Rule 11.29(b)(4) would specify how the Exchange would respond to Regulatory Halts declared by other Primary Listing Markets, referred to by the Exchange as a "UTP Regulatory Halt." Proposed Rule 11.29(b)(4)(A) would provide that the Exchange would halt trading in any UTP Securities when the Primary Listing Market declares a Regulatory Halt for any such securities. The proposed rule text is based on current Rule 14.11(j)(3) and Section XI(a)(iii) of the Amended CTA/CQ Plan. Proposed Rule 11.29(b)(4)(B)(i) – (iii) would set forth rules for trading halts in UTP Derivative Securities Products.[39] This proposed rule text is based on current authority to halt Derivative Securities pursuant to Rules 14.11(b) – (g); (i) – (m).

Resumption of Trading After a Regulatory Halt

The SROs have jointly developed processes to govern the resumption of trading in the event of a Regulatory Halt. While the actual process of re-launching trading will remain unique to each exchange (for example, BZX-listed securities resume trading on the Exchange in most cases through a Halt Auction pursuant to Rule 11.23(d)), the proposed rule would harmonize certain common elements of the reopening process that would benefit from consistency across markets. These common elements include the primacy of the Primary Listing Market in resumption decisions, the requirement that the Primary Listing Market make its determination to resume trading in good faith, and certain parts of the complex process of reopening trading after a SIP Halt. With respect to a SIP Halt, common elements of the reopening process include the interaction among SROs (including the

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[39] See Rule 1.5(ee). The term "UTP Derivative Security" shall mean any one of a list of Derivative Securities that trades on the Exchange pursuant to unlisted trading privileges. The term "Derivative Security" is defined in Rule 1.5(dd) and means a security that meets the definition of "new derivative securities product" in Rule 19b-4(e) under the Exchange Act.

Primary Listing Market with the SIP), the requirement that the Primary Listing Market terminate a SIP Halt with a notification that specifies a SIP Halt Resume Time, the minimum quoting times before resumption of trading, the cutoff time after which trading would not resume during Regular Trading Hours, and the time when trading may resume if the Primary Listing Market does not open a security within the amount of time specified in its rules after the SIP Halt Resume Time.

Proposed Rule 11.29(b)(5)(A) provides the process to be followed when resuming trading upon the conclusion of Regulatory Halts other than SIP Halts. The new rule would effectuate Section XI(a)(v) of the Amended CTA/CQ Plan.

Proposed rule 11.29(b)(5)(A)(i) would make clear that BZX, as the Primary Listing Market, is responsible for declaring a resumption of trading when it makes a good faith determination that trading may resume in a fair and orderly manner and in accordance with its rules.

The resumption process incorporating the Halt Auction would be described under Proposed Rule 11.29(b)(5)(A)(ii), and states that the Exchange will release the security for trading pursuant to its Halt Auction process under Rule 11.23(d), except as provided in subparagraphs (a) through (d). Proposed Rule 11.29(b)(5)(A)(ii) also provides that during any trading halt or pause for which a Halt Auction under Rule 11.23(d) will not occur, orders entered during the Regulatory Halt or pause will be accepted pursuant to Rule 11.24(e).

Subparagraph (a) would specify that the Exchange would resume trading after a Limit Up Limit Down trading pause as specified in Rule 11.18.

Subparagraph (b) would specify that the Exchange would resume trading after a Market-Wide Circuit Breaker halt as specified in proposed Rule 11.30.

Subparagraph (c) would provide that the Exchange would resume trading as specified in Rule 11.23(e) when the start time of a Regulatory Halt would begin between 3:50 p.m. and 4:00 p.m. or the Quote-Only Period (as described in Rule 11.23(d)) of a Halt Auction for a security subject to a Regulatory Halt would otherwise be extended by the Exchange after 3:50 p.m.

Subparagraph (d) would provide that the Exchange would resume trading after a UTP Regulatory Halt other than a SIP Halt by starting to accept orders after the Exchange receives notification[40] from the UTP Listing Market that the Regulatory Halt has been terminated. Subparagraph (d) would further provide that the Exchange would not conduct a Halt Auction to resume trading after a Regulatory Halt in a UTP Security, including a UTP Derivative Security.

Proposed Rule 11.29(b)(5)(B) would address the resumption of trading following a SIP Halt. This new rule would effectuate Section XI(a)(vi) of the Amended CTA/CQ Plan. Proposed Rule 11.29(b)(5)(B)(i) would establish the rules for the resumption of trading following a SIP Halt initiated by the Exchange. Proposed Rule 11.29(b)(5)(B)(i)(a), which is based on Section XI(a)(vi)(A) of the Amended CTA/CA Plan, would provide that the Exchange would determine when a SIP Halt would end, which would be defined as the "SIP Halt Resume Time," which is also defined in the Amended CTA/CQ Plan.[41] As further proposed, in making this determination, the Exchange would make a good-faith

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40 The manner and timing of such notice would be determined by the Primary Listing Market.

41 See Amended CTA/CQ Plan, Section XI(a)(i)(L).

determination and consider the totality of information to determine whether resuming trading would promote a fair and orderly market.

The SROs' experience with such events is that communication amount SROs, SIPs and market participants is the best way to ensure that the Primary Listing Market has access to available information and to coordinate the reopening of trading in an orderly manner. In addition, the SROs anticipate that market participants and other impacted entities will have access to information about the issue causing the SIP Halt, the duration of the halt and the resumption process through updated communications from the SIP, Operating Committee and Primary Listing Market. Accordingly, the proposed Rule 11.29(b)(5)(B)(i)(a) would further provide that when determining whether to resume trading, the Exchange would include input from the SIP processor, the Operating Committee, or the operator of the system in question (as well as any Trading Center(s) to which such system is linked), regarding operational readiness to resume trading. The rule would further provide that the Exchange would retain discretion to delay the SIP Halt Resume Time if it believes trading would not resume in a fair and orderly manner.

Under proposed Rule 11.29(b)(5)(B)(i)(b), the Exchange would terminate a SIP Halt with a notification that specifies the SIP Halt Resume Time. Section XI(a)(vi)(B) of the Amended CTA/CQ Plan directs the Primary Listing Market to specify in its rules (a) the minimum notice it will provide of a SIP Halt Resume Time, during which period market participants may enter orders in the affected securities, and (b) the last SIP Halt Resume Time before the end of regular trading hours. In accordance with that direction, Proposed Rule 11.29(b)(4)(B)(i)(b) would state that the Exchange would provide for a minimum five-

minute notice of a SIP Halt Resume Time, which is sufficiently in advance of resumption to permit market participants to prepare their systems for trading.

In addition, proposed Rule 11.29(b)(5)(B)(i)(b) would establish that during Regular Trading Hours, the last SIP Halt Resume Time would be 20 minutes before the end of Regular Trading Hours, e.g., 3:40 p.m. ET. The Exchange believes that a SIP Halt Resume Time after 3:40 p.m. ET would interrupt a fair and orderly closing process. Accordingly, in such case, the Exchange would not run a Closing Auction and would establish Official Closing Prices for securities affected by the SIP Halt pursuant to Rule 11.23(i), which sets forth how the Exchange will determine the Official Closing Price if the Exchange is unable to conduct a closing transaction in one or more securities due to a systems or technical issue. In such case, the Exchange would disseminate a SIP Halt Resume Time after Regular Trading Hours.

Proposed Rule 11.29(b)(5)(B)(i)(b) would further provide the Exchange, as the Primary Listing Market, with discretion to stagger the SIP Halt Resume Times for multiple securities in order to reopen in a fair and orderly manner. For example, this discretion could be used to open trading in a small number of symbols to ensure that systems are operating normally before resuming trading in the remaining symbols.

Proposed Rule 11.29(b)(5)(B)(i)(c) would provide that for a SIP Halt initiated by the Exchange, the Exchange would reopen trading in the same manner as a Regulatory Halt as described in proposed Rule 11.29(b)(5)(A), with the only difference being that the Quote-Only Period will be a minimum of five minutes, but may be extended at the discretion of the Exchange pursuant to Rule 11.29(b)(5)(B)(i)(a). Because a SIP Halt is a Regulatory Halt,

such Halt Auction would be subject to the extension logic and widened auction collars as described in Rule 11.23(d)(2)(C).

Proposed Rule 11.29(b)(5)(B)(ii) provides that, for a SIP Halt initiated by another exchange that is the Primary Listing Market, during Regular Trading Hours, BZX may resume trading after trading has resumed on the Primary Listing Market or notice has been received from the Primary Listing Market that trading may resume. Proposed Rule 11.29(b)(5)(B)(ii) provides that, for a SIP Halt initiated by a market other than BZX, during Regular Trading Hours, if the Primary Listing Market does not open a security within the amount of time listed by the rules of the Primary Listing Market, BZX may resume trading in that security. Under Proposed Rule 11.29(b)(4)(B)(ii), outside of Regular Trading Hours, BZX may resume trading immediately after the SIP Halt Resume Time.

Operational Halt

The Exchange proposes in Rule 11.29(c) to address Operational Halts, which are non-regulatory in nature and apply only to the exchange that calls the halt. As described above, the Exchange has always had the capacity to implement operational halts and local trading suspensions in specified circumstances, but such halts are not currently referred to as "operational halts" in the Exchange's rules.[42] As part of the Exchange's assessment with the other SROs of the halting and resumption of trading, the Exchange believes that the markets would benefit from greater clarity regarding when an Operational Halt may be appropriate. In part, the proposed change is designed to cover situations similar to those that might constitute a Regulatory Halt, but where the impact is limited to a single market. For

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[42] See Rule 11.1(c). The Exchange also notes that its proposed Rule 11.29(c) regarding Operational Halts is substantially identical to the NYSE Arca, Nasdaq PHLX, MIAX Pearl, and MEMX rules cited in note 6 above, and is therefore not novel.

example, just as a market disruption might trigger a Regulatory Halt for Extraordinary Market Activity (as defined in the Amended CTA/CQ Plan) if it affects multiple markets, so a disruption at the Exchange, such as a technical issue affecting trading in one or more securities, could impact trading on the Exchange so significantly that an Operational Halt is appropriate in one or more securities. In such an instance, it would be in the public interest to institute an Operational Halt to minimize the impact of a disruption that, if trading were allowed to continue, might negatively affect a greater number of market participants. An Operational Halt does not implicate other trading centers.

Proposed Rule 11.29(c)(1) would specify the Exchange's authority to initiate an Operational Halt, which is discretionary, and provide that the Exchange may declare an Operational Halt for any security trading on the Exchange if it is experiencing Extraordinary Market Activity on the Exchange (proposed Rule 11.29(c)(1)(A)) or when otherwise necessary to maintain a fair and orderly market or in the public interest (proposed Rule 11.29(c)(1)(B)).

Under proposed Rule 11.29(c)(2), the Exchange would notify the Processor if it has concerns about its ability to collect and transmit quotes, orders, or last sale prices, or where it has declared an Operational Halt or suspension of trading in one or more Eligible Securities (as that term is defined in the Amended CTA/CQ Plan), pursuant to the procedures adopted by the Operating Committee.

Proposed Rule 11.29(c)(3) would set out rules for order processing during an Operational Halt. In such case, proposed Rule 11.29(c)(3)(A) would provide that the Exchange would cancel all unexecuted orders resting on the BZX Book, including Eligible Auction Orders, and proposed Rule 11.29(c)(3)(B) would provide that the Exchange would

reject all other incoming order instructions until the Exchange resumes trading. Proposed Rule 11.29(c)(3)(C) would provide that for a BZX-listed security, a Halt Auction will not be conducted pursuant to Rule 11.23(d), and the security will resume trading once the Operational Halt is lifted by the Exchange. Proposed Rule 11.29(c)(3)(D) provides that an Operational Halt in a UTP Security would resume on the Exchange pursuant to proposed Rule 11.24(f), which the Exchange proposes to introduce. Proposed Rule 11.24(f) would describe the Exchange's current practice for re-opening securities that are not subject to a Regulatory Halt and states that while a security is subject to an Operational Halt, orders will not be accepted for queuing prior to the security's resumption of trading and that any open orders on the BZX Book[43] will be cancelled. Proposed Rule 11.24(f)(1) states that a security subject to an Operational Halt will return to trading when the Exchange declares that trading may resume pursuant to Rule 11.29(c)(3).

Proposed Rule 11.29(c)(4) would specify how the Exchange resumes trading after an Operational Halt. Proposed Rule 11.29(c)(4)(A) would provide that the Exchange would resume trading following an Operational Halt when it determines that trading may resume in a fair and orderly manner consistent with the Exchange's rules. Proposed Rule 11.29(c)(4)(B) would address "Communications," and provide that trading in a halted security shall resume at the time specified by the Exchange in a notice. It would further specify that the Exchange will notify all other Plan participants and the SIP of such Operational Halt as well as provide notice that an Operational Halt has been lifted using such protocols and other emergency procedures as may be mutually agreed to between the Operating Committee and the Exchange. If the SIP is unable to disseminate notice of an

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[43] See Rule 1.5(e).

Operational Halt or the Exchange is not open for trading, the Exchange would take reasonable steps to provide notice of an Operational Halt, which shall include both the type and start time of the Operational Halt. Each Plan participant shall continuously monitor communication protocols established by the Operating Committee and the Processor during market hours to disseminate notice of an Operational Halt, and the failure of a participant to do so shall not prevent the Exchange from initiating an Operational Halt.

Conforming Changes to Other Rules

The Exchange is proposing to modify a number of other rules that currently cross reference rules that are being relocated or to add cross references to new Rules 11.29 and 11.30. Modifications to the citation are proposed for the following rules:

- Rule 11.8(d)(2)(D) and Rule 11.8(d)(2)(E), Obligations of Market Makers, have been modified to replace a reference to Rule 11.18(b) with Rule 11.18(a) to reflect the relocation of the original rule.
- Rule 11.9(a)(2), Orders and Modifiers, has been modified to replace a reference to Rule 11.18(e)(5)(B) with Rule 11.18(a)(5)(B) to reflect the relocation of the original rule.
- Rule 11.13(a)(3) and Rule 11.13(b)(3)(I), Order Execution and Routing, have been modified to replace a reference to Rule 11.18(e) with Rule 11.18(a) to reflect the relocation of the original rule.
- Rules 11.13(b)(3) and 11.13(b)(5) have been modified to remove the italic formatting from the title of each subsection in order to conform with other subsections of Rule 11.13(b).

- Rule 11.23(d), Auctions, has been modified to replace a reference to Rule 11.18(b)(2) with Rule 11.30(b)(2) to reflect the relocation of the original rule.
- Rule 11.23(e), Auctions, has been modified to include references to Rules 11.29 and 11.30 to reflect the addition of new rule text and the relocation of the Market-Wide Circuit Breaker rule from the original rule.
- Rule 11.24(e), Opening Process for Non-BZX-Listed Securities, has been modified to replace a reference to Rule 11.18(b)(2) with Rule 11.30(b)(2) to reflect the relocation of the original rule. This rule has also been modified to include the word "Regulatory" in order to indicate its applicability only to Regulatory Halts.
- The preamble to Chapter XIV, Bats BZX Exchange Listing Rules, has been modified to include references to Rules 11.29 and 11.30 to reflect the addition of new rule text and the relocation of the Market-Wide Circuit Breaker rule from the original rule.
- Interpretation and Policy .01 to Rule 14.3, which covers dually-listed securities, has been modified to reflect the changes proposed in new Rule 11.29. The proposed rule makes clear that the Primary Listing Market is the market on which the security has been listed longest. This clear statement has eliminated the need for the more specific citations to various subsections currently contained in Interpretation and Policy .01 to Rule 14.3.
- Interpretation and Policy .01(c) to Rule 14.6, Disclosure of Material Information, Trading Halts, has been modified to include reference to new Rules 11.29 and 11.30. In addition, Interpretation and Policy .01(b) has been modified to display the correct

Exchange market hours of 7:00 a.m. to 8:00 p.m. ET and to amend a reference to the Company rather than the Exchange.

- Rule 14.11(c) has been modified to include references to Rules 11.29 and 11.30 to reflect the addition of new rule text and the relocation of the Market-Wide Circuit Breaker rule from the original rule and to remove an extraneous comma.
- Rule 14.11(e)(9), Trust Units, has been modified to replace a reference to Rule 11.18 with Rule 11.30, to reflect the relocation of the original rule.
- Rule 14.11(e)(10), Managed Trust Securities, has been modified to replace a reference to Rule 11.18 with Rule 11.29, to reflect the relocation of the original rule.
- Rule 14.11(j) and Rule 14.11(j)(3), UTP Derivative Securities, have been modified to include references to Rules 11.29 and 11.30 to reflect the addition of new rule text and the relocation of the Market-Wide Circuit Breaker rule from the original rule.

The Staff notes that the changes described above are not substantive and serve only to update cross references to rules that have been relocated.

Implementation

The Exchange will implement the proposed changes herein in conjunction with the Processors and the other SROs implementing the necessary rule changes and related technology and procedural changes. The Exchange will publish a Trade Desk Notice at least 30 days prior to implementing the proposed changes.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Act and the rules and regulations thereunder applicable to the Exchange and, in particular, the

requirements of Section 6(b) of the Act.[44] Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)[45] 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)[46] requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

As described above, the Exchange and other SROs are seeking to adopt harmonized rules related to halting and resuming trading in U.S.-listed equity securities. The Exchange believes that the proposed rules will provide greater transparency and clarity with respect to the situations in which trading will be halted and the process through which that halt will be implemented and terminated. Particularly, the proposed changes seek to achieve consistent results for participants across U.S. equities exchanges while maintaining a fair and orderly market, protecting investors and protecting the public interest. Based on the foregoing, the Exchange believes that the proposed rules are

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44 15 U.S.C. 78f(b).

45 15 U.S.C. 78f(b)(5).

46 Id.

consistent with Section 6(b)(5) of the Act[47] because they will foster cooperation and coordination with persons engaged in regulating and facilitating transactions in securities.

As discussed previously, the Exchange believes that the various provisions of the proposed rules that will apply to all SROs are focused on the type of cross-market event where a consistent approach will assist market participants and reduce confusion during a crisis. Because market participants often trade the same security across multiple venues and trade securities listed on different exchange as part of a common strategy, the Exchange believes that the proposed rules will lessen the risk that market participants holding a basket of securities will have to deal with divergent outcomes depending on where the securities are listed or traded. Conversely, the proposed rules would still allow individual SROs to react differently to events that impact various securities or markets in different ways. This avoids the "brittle market" risk where an isolated event at a single market forces all markets trading equities securities to halt or halts trading in all securities where the issue impacted only a subset of securities. By addressing both concerns, the Exchange believes that the proposed rules further the Act's goal of maintaining fair and orderly markets.

The Exchange believes that the proposed rules' focus of responsibility on the Primary Listing Market for decisions related to a Regulatory Halt and the resumption of trading is consistent with the Act, which itself imposes obligations on exchanges with respect to issuers that are listed. As is currently the case, the Primary Listing Market would be responsible for the many regulatory functions related to its listings, including the determination of when to declare a Regulatory Halt. While these core responsibilities

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[47] Id.

remain with the Primary Listing Market, trading in the security can occur on multiple exchanges that have unlisted trading privileges for the security or in the over-the-counter market, regulated by FINRA. These other venues are responsible for monitoring activity on their own markets, but also have agreed to honor a Regulatory Halt.

The proposed changes relating to Regulatory Halts would ensure that all SROs handle the situations covered therein in a consistent manner that would prevent conflicting outcomes in cross-market events and ensure that all Trading Centers recognize a Regulatory Halt declared by the Primary Listing Market. The changes are consistent with and implement the Amended CTA/CQ Plan. While the proposed rules recognize a Primary Listing Market for each security, the rules do not prevent an issuer from switching its listing to another national securities exchange that would thereafter assume the responsibilities of Primary Listing Market for that security. Similarly, the proposed rules set forth a fair and objective standard to determine which exchange will be the Primary Listing Market in the case of dually-listed securities: the exchange on which the security has been listed the longest.

The Exchange believes that the other definitions in the proposed rules are also consistent with the Act. For example, the proposed rules would define what constitutes Extraordinary Market Activity, consistent with the amended definition of that term in the Amended CTA/CQ Plan, thereby furthering the Act's goal of promoting fair and orderly markets. The Exchange is also proposing to adopt definitions for "SIP Outage," "Material SIP Latency" and "SIP Halt," to explicitly address situations that may disrupt the markets, and these definitions are identical to the definitions in the Amended CTA/CQ Plan. The proposed rules provide guidance on when the Exchange should seek

information from the Operating Committee, other SROs and market participants as well as means for dissemination of important information to the market, consistent with the Amended CTA/CQ Plan. The Exchange believes these provisions strike the right balance in outlining a process to address unforeseen events without preventing SROs from taking action needed to protect the market.

The Exchange believes that the proposed rules, which make halts more consistent across exchange rules, are consistent with the Act in that they will foster cooperation and coordination with persons engaged in regulating the equities markets. In particular, the Exchange believes it is important for SROs to coordinate when there is a widespread and significant event, as multiple Trading Centers are impacted in such an event. Further, while the Exchange recognizes that the proposed rule will not guarantee a consistent result on every market in all situations, the Exchange does believe that it will assist in that outcome. While the proposed rules relating to Regulatory Halts focuses primarily on the kinds of cross-market events that would likely impact multiple markets, individual SROs will still retain flexibility to deal with unique products or small situations confined to a particular market. To that end, the Exchange has retained existing elements of Chapter XIV that focus on its unique products and the processes it has developed over time to interact with its issuers.

Also consistent with the Act, and with the Amended CTA/CQ Plan, is the Exchange's proposal in Rule 11.29(c) to address Operational Halts, which are non-regulatory in nature and apply only to the exchange that calls the halt. As noted earlier, the Exchange presently has the ability to implement operational halts and local trading suspensions, but such halts are not currently referred to as "operational halts" in the

Exchange's rules.[48] The Exchange also notes that its proposed Rule 11.29(c) regarding Operational Halts is substantially identical to the revised NYSE Arca, Nasdaq PHLX, MIAX Pearl, and MEMX rules cited above,[49] and is therefore not novel.

The Exchange believes that the markets would benefit from greater clarity regarding when an Operational Halt may be appropriate. In part, the proposed change is designed to cover situations similar to those that might constitute a Regulatory Halt, but where the impact is limited to a single market. For example, just as a market disruption might trigger a Regulatory Halt for Extraordinary Market Activity if it affects multiple markets, so could a disruption at the Exchange, such as a technical issue affecting trading in one or more securities, impact trading on the Exchange so significantly that an Operational Halt is appropriate in one or more securities. In such an instance, it would be in the public interest to institute an Operational Halt to minimize the impact of a disruption that, if trading were allowed to continue, might negatively affect a greater number of market participants. An Operational Halt does not implicate other Trading Centers.

The Exchange believes that its proposal to introduce Rule 11.24(f) is consistent with the Act because it will describe the Exchange's ability to accept and process orders during an Operational Halt and describe the re-opening process for securities subject to an Operational Halt, which will provide clarity to market participants about how their orders will behave during an Operational Halt and describe how a security subject to an Operation Halt will resume trading.

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48 See Rule 11.1(c).

49 Supra note 6.

The Exchange believes that it is consistent with the Act to reorganize the text related to Market-Wide Circuit Breakers currently codified in Rule 11.18(a) – (d), (f) – (j) into Rule 11.30 as it would provide clarity to market participants and better align with how the rules of other market centers are currently organized.

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.

Importantly, the Exchange believes the proposal will not impose a burden on intermarket competition but will rather alleviate any burden on competition because it is the result of a collaborative effort by all SROs to harmonize and improve the process related to the halting and resumption of trading in U.S.-listed equity securities, consistent with the Amended CTA/CQ Plan. In this area, the Exchange believes that all SROs should have consistent rules to the extent possible in order to provide additional transparency and certainty to market participants and to avoid inconsistent outcomes that could cause confusion and erode market confidence. The proposed changes would ensure that all SROs handle the situations covered therein in a consistent manner and ensure that all Trading Centers handle a Regulatory Halt consistently. The Exchange understands that all other Primary Listing Markets intend to file proposals that are substantially similar to this proposal.

The Exchange does not believe that its proposals concerning Operational Halts impose an undue burden on competition. Under the existing Rules, the Exchange already possesses discretionary authority to impose Operational Halts for various reasons, including because of an order imbalance or influx that causes another national securities

exchange to impose a trading halt in a security, or because another national securities exchange imposes an operational halt in a security that is a derivative or component of a security listed on BZX. As described earlier, the proposed Rule change clarifies and broadens the circumstances in which the Exchange may impose such Halts, and specified procedures for both imposing and lifting them. The Exchange does not intend for these proposals to have any competitive impact whatsoever. Indeed, the Exchange expects that other exchanges will adopt similar rules and procedures to govern operational halts, to the extent that they have not done so already.

The Exchange does not believe that the proposed rule change imposes a burden on intramarket competition because the provisions apply to all market participants equally. In addition, information regarding the halting and resumption of trading will be disseminated using several freely accessible sources to ensure broad availability of information in addition to the SIP data and proprietary data feeds offered by the Exchange and other SROs that are available to subscribers.

In addition, the proposals include several provisions related to the declaration and timing of trading halts and the resumption of trading designed to avoid any advantage to those who can react more quickly than other participants. The proposed rule gives the Exchanges the ability to declare the timing of a Regulatory Halt immediately. The SROs retain the discretion to cancel trades that occur after the time of the Regulatory Halt. The proposals also allow for the staggered resumption of trading to assist firms in reentering the market after a SIP Halt affecting multiple securities, in order to reopen in a fair and orderly manner. In addition, the proposals encourage early and frequent communication

among the SROs, SIPs and market participants to enable the dissemination of timely and accurate information concerning the market to market participants.

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 Act[50] and Rule 19b-4(f)(6)[51] 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.

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[50] 15 U.S.C. 78s(b)(3)(A).

[51] 17 CFR 240.19b-4(f)(6).

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-CboeBZX-2026-017 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-2026-017. 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-2026-017 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.[52]

Sherry R. Haywood,

Assistant Secretary.

[52] 17 CFR 200.30-3(a)(12).

EXHIBIT 5

(additions are underlined; deletions are [bracketed])

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Rules of Cboe BZX Exchange, Inc.

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CHAPTER XI. TRADING RULES

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Rule 11.8. Obligations of Market Makers

(a) – (c) No change.

(d) Quotation Requirements and Obligations

(1) No change.

(2) *Pricing Obligations.* For NMS stocks (as defined in Rule 600 of Regulation NMS) a Market Maker shall adhere to the pricing obligations established by this Rule during Regular Trading Hours; provided, however, that such pricing obligations (i) shall not commence during any trading day until after the first regular way transaction on the primary listing market in the security, as reported by the responsible single plan processor, and (ii) shall be suspended during a trading halt, suspension, or pause, and shall not re-commence until after the first regular way transaction on the primary listing market in the security following such halt, suspension, or pause, as reported by the responsible single plan processor.

(A) – (C) No change.

(D) For purposes of this Rule, the term "Designated Percentage" shall be 8% for Tier 1 NMS Stocks under the Limit Up-Limit Down Plan, 28% for Tier 2 NMS Stocks under the Limit Up-Limit Down Plan with a price equal to or greater than $1.00, and 30% for Tier 2 NMS Stocks under the Limit Up-Limit Down Plan with a price less than $1.00, except that between 9:30 a.m. and 9:45 a.m. and between 3:35 p.m. and the close of trading, when Exchange Rule 11.18([b]a) is not in effect, the Designated Percentage shall be 20% for Tier 1 NMS Stocks under the Limit Up-Limit Down Plan, 28% for Tier 2 NMS Stocks under the Limit Up-Limit Down Plan with a price equal to or greater than $1.00, and 30% for Tier 2 NMS Stocks under the Limit Up-Limit Down Plan with a price less than $1.00.

(E) For purposes of this Rule, the term "Defined Limit" shall be 9.5% for Tier 1 NMS Stocks under the Limit Up-Limit Down Plan, 29.5% for Tier 2 NMS Stocks under the Limit Up-Limit Down Plan with a price equal to or greater than $1.00, and 31.5% for Tier 2 NMS Stocks under the Limit Up-Limit Down Plan with a price less than $1.00, except that between 9:30 a.m. and 9:45 a.m. and between 3:35 p.m. and the close of trading, when Exchange Rule 11.18([b]a) is not in effect, the Defined Limit shall be 21.5% for Tier 1 NMS Stocks under the Limit Up-Limit Down Plan, 29.5% for Tier 2 NMS Stocks under the Limit Up-Limit Down Plan with a price equal to or greater than $1.00, and 31.5% for Tier 2 NMS Stocks under the Limit Up-Limit Down Plan with a price less than $1.00.

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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) General Order Types.

(1) No change.

(2) BZX Market Order. An order to buy or sell a stated amount of a security that is to be executed at the NBBO when the order reaches the Exchange. BZX market orders shall not trade through Protected Quotations. A BZX market order that is designated as BZX Only with a time-in-force of Day will be cancelled if, when reaching the Exchange, it cannot be executed on the System in accordance with Rule 11.13(a)(4) unless the reason that such BZX market order cannot be executed is because it is entered into the System and the NBO (NBB) is greater (less) than the Upper (Lower) Price Band, in which case such order will be posted by the System to the BZX Book, displayed at the Upper (Lower) Price Band, and re-priced as set forth in Rule 11.18([e]a)(5)(B). A BZX market order to sell with a time-in-force of Day that is marked short that cannot be executed because of the existence of a Short Sale Circuit Breaker will be posted by the System to the BZX Book subject to the price sliding process set forth in paragraph (g) below. A BZX market order will default to a time-in-force of Day unless otherwise specified by a User. A BZX market order that is designated as BZX Only with a time-in-force other than Day will be cancelled if, when reaching the Exchange, it cannot be executed on the System in accordance with Rule 11.13(a)(4). BZX market orders that are designated as Cboe Post Only are rejected. BZX market orders that are not designated as BZX Only and that cannot be executed in accordance with Rule 11.13(a)(4) on the System when reaching the Exchange will be eligible for routing away pursuant to Rule 11.13(b). Any portion of a BZX market order that would execute at a price more than $0.50 or 5 percent worse than the NBBO at the time the order initially reaches the Exchange, whichever is greater, will be cancelled. BZX [M]market [O]orders are not eligible for execution during the Early Trading Session, Pre-Opening Session or the After Hours Trading Session.

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Rule 11.13 Order Execution and Routing

Subject to the restrictions under these Exchange Rules or the Act and the rules and regulations thereunder, orders shall be matched for execution and routed in accordance with this Rule 11.13.

(a) Execution Against BZX Book.

For purposes of this Rule 11.13 any order falling within the parameters of this paragraph shall be referred to as "executable". An order will be cancelled back to the User if, based on market conditions, User instructions, applicable Exchange Rules and/or the Act and the rules and regulations thereunder, such order is not executable, cannot be routed to another Trading Center pursuant to Rule 11.13(b) below and cannot be posted to the BZX Book.

(1) – (2) No change.

(3) *Compliance with the Limit Up-Limit Down Plan.* For any executions to occur during Regular Trading Hours, such executions must comply with the Plan, as set forth in Rule 11.18([e]a) below.

(4) No change.

(b) *Routing to Away Trading Centers*. Depending on the instructions set by the User when the incoming order was originally entered, if a market or marketable limit order has not been executed in its entirety pursuant to paragraph (a) above, the order shall be eligible for additional processing under one or more of the routing options listed under paragraph (b)(3) below.

(1) – (2) No change.

(3) [*Routing Options*]Routing Options. The System provides a variety of routing options. Routing options may be combined with all available order types and times-in-force, with the exception of order types and times-in-force whose terms are inconsistent with the terms of a particular routing option. The System will consider the quotations only of accessible markets. The term "System routing table" refers to the proprietary process for determining the specific trading venues to which the System routes orders and the order in which it routes them. The Exchange reserves the right to maintain a different System routing table for different routing options and to modify the System routing table at any time without notice. The System routing options are:

(A) – (H) No change.

(I) SWPA. SWPA is a routing option under which an order checks the System for available displayed shares and then is sent to destinations on the System routing table. Pursuant to SWPA, orders route only to Protected Quotations and only for displayed size. The System may route to multiple

destinations and at multiple price levels simultaneously through SWPA routing. A SWPA order will be routed to destinations on the System routing table even if at the time of entry there is an insufficient share quantity in the SWPA order to fulfill the displayed size of all Protected Quotations. In connection with the Limit Up-Limit Down Plan described in Rule 11.18([e]a) below, the System will immediately cancel orders utilizing a SWPA routing strategy when an order to buy utilizing an SWPA routing strategy has a limit price that is greater than the Upper Price Band or if a sell order utilizing an SWPA routing strategy has a limit price that is less than the Lower Price Band.

(J) – (O) No change.

(4) No change.

(5) [*Priority of Routed Orders*]Priority of Routed Orders. Orders that have been routed by the System to other markets are not ranked and maintained in the BZX Book pursuant to Rule 11.12(a), and therefore are not available to execute against incoming orders pursuant to paragraph (a) above. Once routed by the System, an order becomes subject to the rules and procedures of the destination market including, but not limited to, short-sale regulation and order cancellation. Requests from Users to cancel their orders while the order is routed away to another trading center and remains outside the System shall be processed, subject to the applicable trading rules of the relevant trading center. If a routed order is subsequently returned, in whole or in part, that order, or its remainder, shall receive a new timestamp reflecting the time of its return to the System. Following the routing process described above, unless the terms of the order direct otherwise, any unfilled portion of the order originally entered into the System shall be ranked in the BZX Book in accordance with the terms of such order under Rule 11.12 and such order shall be eligible for execution under this Rule 11.13.

* * * * *

Rule 11.18. [Trading Halts Due to Extraordinary Market Volatility] Limit Up-Limit Down Mechanism.

[(a) The Exchange shall halt trading in all stocks and shall not reopen for the time periods specified in this Rule if there is a Level 1, 2, or 3 Market Decline.

(1) For purposes of this Rule, a Market Decline means a decline in price of the S&P 500® Index between 9:30 a.m. and 4:00 p.m. on a trading day as compared to the closing price of the S&P 500® Index for the immediately preceding trading day. The Level 1, Level 2, and Level 3 Market Declines that will be applicable for the trading day will be publicly disseminated before 9:30 a.m.

(2) A "Level 1 Market Decline" means a Market Decline of 7%.

(3) A "Level 2 Market Decline" means a Market Decline of 13%.

(4) A "Level 3 Market Decline" means a Market Decline of 20%.

(b) Halts in Trading.

(1) If a Level 1 Market Decline or a Level 2 Market Decline occurs after 9:30 a.m. and up to and including 3:25 p.m., or in the case of an early scheduled close, 12:25 p.m., the Exchange shall halt trading in all stocks for 15 minutes after a Level 1 or Level 2 Market Decline. The Exchange shall halt trading based on a Level 1 or Level 2 Market Decline only once per trading day. The Exchange will not halt trading if a Level 1 Market Decline or a Level 2 Market Decline occurs after 3:25 p.m., or in the case of an early scheduled close, 12:25 p.m.

(2) If a Level 3 Market Decline occurs at any time during the trading day, the Exchange shall halt trading in all stocks for the remainder of the trading day.

(c) If a primary listing market halts trading in all stocks, the Exchange will halt trading in all stocks until trading has resumed on the primary listing market or notice has been received from the primary listing market that trading may resume. If the primary listing market does not reopen a security within 15 minutes following the end of the 15-minute halt period, the Exchange may resume trading in that security.

(d) Nothing in this Rule 11.18 should be construed to limit the ability of the Exchange to otherwise halt, suspend, or pause the trading in any stock or stocks traded on the Exchange pursuant to any other Exchange rule or policy.]

([e]a) –No change.

([f]b) No change.

[(g) All times referenced in this Rule 11.18 shall be Eastern Time.

(h) Market-Wide Circuit Breaker ("MWCB") Testing.

(1) The Exchange will participate in all industry-wide tests of the MWCB mechanism. Members designated pursuant to paragraph (b) of Rule 2.4 to participate in Mandatory Participation in Testing of Backup Systems are required to participate in at least one industry-wide MWCB test each year and to verify their participation in that test by attesting that they are able to or have attempted to:

(A) receive and process MWCB halt messages from the securities information processors ("SIPs");

(B) receive and process resume messages from the SIPs following a MWCB halt;

(C) receive and process market data from the SIPs relevant to MWCB halts; and

(D) send orders following a Level 1 or Level 2 MWCB halt in a manner consistent with their usual trading behavior.

(2) To the extent that a Member participating in a MWCB test is unable to receive and process any of the messages identified in paragraph (h)(1)(A)-(D) of this Rules, its attestation should notify the Exchange which messages it was unable to process and, if known, why.

(3) Members not designated pursuant to standards established in paragraph (b) of Rule 2.4 are permitted to participate in any MWCB test.

(i) In the event that a halt is triggered under this Rule following a Level 1, Level 2, or Level 3 Market Decline, the Exchange, together with other SROs and industry representatives (the "MWCB Working Group"), will review such event. The MWCB Working Group will prepare a report that documents its analysis and recommendations and will provide that report to the Commission within 6 months of the event.

(j) In the event that there is (1) a Market Decline of more than 5%, or (2) an SRO implements a rule that changes its reopening process following a MWCB Halt, the Exchange, together with the MWCB Working Group, will review such event and consider whether any modifications should be made to this Rule. If the MWCB Working Group recommends that a modification should be made to this Rule, the MWCB Working Group will prepare a report that documents its analysis and recommendations and provide that report to the Commission.]

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Rule 11.23. Auctions

(a) – (c) No change.

(d) *IPO and Halt Auctions.* For trading in a BZX listed security in an initial public offering (an "IPO") or following a Regulatory Halt in that security, other than a Regulatory Halt initiated pursuant to Rule [11.18(b)(2)]11.30(b)(2) following a Level 3 Market Decline, the Exchange will conduct an IPO or Halt Auction, as described below.

(1) – (3) No change.

(e) *Volatility Closing Auction.* Where is a security is halted between 3:50 p.m. and 4:00 p.m. pursuant to Rule 11.18, 11.29 or 11.30 or the Quote-Only Period of a Halt Auction for a security halted before 3:50 p.m. pursuant to Rule 11.18, 11.29 or 11.30 would otherwise be extended by the Exchange after 3:50 p.m., no Closing Auction or Halt Auction for the security will occur. Instead, the Exchange will conduct a Volatility Closing Auction at 4:00 p.m. as described below.

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Rule 11.24. Opening Process for Non-BZX-Listed Securities

(a) – (d) No change.

(e) Re-Opening After a Regulatory Halt. While a non-BZX-listed security is subject to a Regulatory H[h]alt, suspension, or pause in trading, other than a halt initiated pursuant to Rule [11.18(b)(2)]11.30(b)(2) following a Level 3 Market Decline, the Exchange will accept orders for queuing prior to the resumption of trading in the security for participation in the Re-Opening Process.

(1) – (3) No change.

(f) Re-Opening After an Operational Halt. While a security is subject to an Operational Halt declared pursuant to Rule 11.29(c), the Exchange will not accept orders for queuing prior to the resumption of trading in the security. All open orders on the BZX Book will be cancelled.

(1) A security subject to an Operational Halt will return to trading when the Exchange declares that trading may resume pursuant to Rule 11.29(c)(3).

* * * * *

Rule 11.29. Trading Halts.

(a) Definitions

(1) "After Hours Trading Session" has the same meaning as the term is defined in Rule 1.5(c).

(2) "Derivative Securities Product" means a series of Portfolio Depositary Receipts, Index Fund Shares, Managed Fund Shares, Trust Issued Receipts, Managed Portfolio Shares, Exchange-Traded Fund Shares, Tracking Fund Shares, and Class ETF Shares (as defined in Rule 14.11(b), 14.11(c), 14.11(i), 14.11(f), 14.11(k), 14.11(l), 14.11(m), and 14.11(n) respectively), a series of Commodity-Related Securities (as defined in Rule 14.11(d)), securities representing interests in unit investment trusts or investment companies, Index-Linked Exchangeable Notes, Equity Gold Shares, Trust Certificates, Commodity-Based Trust Shares, Currency Trust Shares, Commodity Index Trust Shares, Commodity Futures Trust Shares, Partnership Units, Trust Units, Managed Trust Securities, or Currency Warrants (as defined in Rule 14.11(e)(1) – (11)), or any other UTP Derivative Security (as described in Rule 14.11(j)).

(3) "Early Trading Session" has the same meaning as the term is defined in Rule 1.5(ff).

(4) "Extraordinary Market Activity" has the same meaning as that term is defined in the Amended CTA/CQ Plan.

(5) "Limit Up Limit Down" has the same meaning as that term is defined in the Amended CTA/CQ Plan.

(6) "Market-Wide Circuit Brealer" has the same meaning as that term is defined in the Amended CTA/CQ Plan.

(7) "Material SIP Latency" has the same meaning as that term is defined in the Amended CTA/CQ Plan.

(8) "Operating Committee" has the same meaning as the term is defined in the Amended CTA/CQ Plan.

(9) "Operational Halt" has the same meaning as the term is defined in the Amended CTA/CQ Plan.

(10) "Primary Listing Market" has the same meaning as the term is defined in the Amended CTA/CQ Plan.

(11) "Processor" or "SIP" have the same meaning as the term "Processor" is defined in the Amended CTA/CQ Plan or the Nasdaq UTP Plan, as is applicable.

(12) "Regulatory Halt" has the same meaning as that term is defined in the Amended CTA/CQ Plan.

(13) "Regular Trading Hours" has the same meaning as the term is defined in Rule 1.5(w).

(14) "SIP Halt" has the same meaning as that term is defined in the Amended CTA/CQ Plan.

(15) "SIP Halt Resume Time" has the same meaning as the term is defined in the Amended CTA/CQ Plan.

(16) "SIP Outage" has the same meaning as that term is defined in the Amended CTA/CQ Plan.

(17) "SIP Plan" means the Amended CTA/CQ Plan.

(18) "Trading Center" has the same meaning as in Rule 600(b)(95) of Regulation NMS.

(19) "UTP Security" and "UTP Derivative Security" have the same meaning as the term is defined in Rule 1.5(ee).

(b) Regulatory Halts

(1) Authority to Initiate a Regulatory Halt

(A) The Exchange shall declare a Regulatory Halt in the following circumstances:

(i) Pursuant to Rule 11.30 concerning Market-Wide Circuit Breaker.

(ii) Pursuant to Rule 11.18 concerning Limit Up-Limit Down.

(iii) When the Exchange becomes aware that a Derivative Securities Product (as defined in Rule 11.29(a)(2)) for which a net asset value ("NAV") (and in the case of Index Fund Shares under Rule 14.11(c), Managed Trust Securities under Rule 14.11(e), Managed Fund Shares under Rule 14.11(i), Managed Portfolio Shares under Rule 14.11(k), or Tracking Fund Shares under Rule 14.11(m), the Disclosed Portfolio, holdings, Fund Portfolio, or Tracking Basket, as applicable) is not being disseminated to all market participants at the same time. The Exchange will maintain the trading halt until such time as the Exchange becomes aware that the NAV (or in the case of Managed Fund Shares, the Disclosed Portfolio) is available to all market participants at the same time.

(iv) As provided for elsewhere in the Rules of the Exchange, including but not limited to Rules 11.1, 11.23, 14.6, 14.8, 14.9, 14.10, 14.11(b) – (g), 14.11(i) – (n), and 14.12 concerning requirements for listing, delisting, and maintaining listings of certain types of securities, and regarding the public dissemination of material information.

(B) The Exchange may declare a Regulatory Halt in the following circumstances for any security for which it is the Primary Listing Market, as applicable:

(i) If the Exchange determines that there is Extraordinary Market Activity, a SIP Outage, or Material SIP Latency.

(ii) As provided for elsewhere in the Rules of the Exchange, including but not limited to Rules 11.1, 11.23, 14.6, 14.8, 14.9, 14.10, 14.11(b) – (g), 14.11(i) – (n), and 14.12 concerning requirements for listing, delisting, and maintaining listings of certain types of securities, and regarding the public dissemination of material information.

(iii) Based on a consideration of the following factors: (A) trading in the underlying securities comprising the index or portfolio applicable to that series has been halted in the primary market(s); (B) the

extent to which trading has ceased in securities underlying the index or portfolio; or (C) the presence of other unusual conditions or circumstances detrimental to the maintenance of a fair and orderly market.

(iv) In the event of national, regional, or localized disruption that necessitates a Regulatory Halt to maintain a fair and orderly market.

(2) Communications. Whenever, in the exercise of its regulatory functions, the Exchange as Primary Listing Market determines it is appropriate to initiate a Regulatory Halt, the Exchange will notify all other Plan participants and the Processor of such Regulatory Halt as well as provide notice that a Regulatory Halt has been lifted using such protocols and other emergency procedures as may be mutually agreed to between the Operating Committee and the Exchange. The Processor shall disseminate to Participants notice of the Regulatory Halt (as well as notice of the lifting of a Regulatory Halt) through the high speed line or through the "high speed line" under the CQ Plan, and any other means the Processor, in its sole discretion, considers appropriate. Each Participant shall be required to continuously monitor these communication protocols established by the Operating Committee and the Processor during market hours, and the failure of a participant to do so shall not prevent the Exchange from initiating a Regulatory Halt in accordance with the procedures specified in these rules.

(3) Initiating a Regulatory Halt

(A) Start Time. The start time of a Regulatory Halt is when the Exchange or Primary Listing Market declares the halt, regardless of whether an issue with communications impacts the dissemination of the notice.

(B) Notification. If the SIP is unable to disseminate notice of a Regulatory Halt or the Exchange is not open for trading, the Exchange will take reasonable steps to provide notice of a Regulatory Halt in the manner set forth in the SIP Plan.

(C) Retroactive Halts. Except in exigent circumstances, the Exchange will not declare a Regulatory Halt retroactive to a time earlier than the notice of such halt.

(D) In making a determination to declare a Regulatory Halt in trading any security for which the Exchange is the Primary Listing Market, the Exchange will consider the totality of information available concerning the severity of the issue, its likely duration, and potential impact on Members and other market participants and will make a good-faith determination that the criteria for declaring the Regulatory Halt have been satisfied and that a Regulatory Halt is appropriate. The Exchange will consult, if feasible, with the affected Trading Center(s), other Plan Participants, or the Processor, as applicable, regarding the scope of the issue and what steps are being taken to address the issue. Once a

Regulatory Halt has been declared, the Exchange will continue to evaluate the circumstances to determine when trading may resume in accordance with its rules.

(4) UTP Regulatory Halt

(A) The Exchange will halt trading for any UTP Securities when the Primary Listing Market declares a Regulatory Halt for any such securities ("UTP Regulatory Halt").

(B) Halts in UTP Derivative Securities

(i) Early Trading Session. If a UTP Derivative Security begins trading on the Exchange in the Early Trading Session and subsequently a temporary interruption occurs in the calculation or wide dissemination of the Intraday Indicative Value ("IIV") or the value of the underlying index, as applicable, to such UTP Derivative Security, by a major market data vendor, the Exchange may continue to trade the UTP Derivative Security for the remainder of the Early Trading Session.

(ii) Regular Trading Hours. During Regular Trading Hours, if a temporary interruption occurs in the calculation or wide dissemination of the IIV or the value of the underlying index by a major market data vendor and the Primary Listing Market halts trading in the UTP Derivative Security, the Exchange, upon notification by the Primary Listing Market of such halt due to such temporary interruption, also shall immediately halt trading in the UTP Derivative Security on the Exchange.

(iii) After Hours Trading Session and Next Business Day's Early Trading Session.

(a) If the IIV or the value of the underlying index continues not to be calculated or widely available after the close of Regular Trading Hours, the Exchange may trade the UTP Derivative Security in the After Hours Trading Session only if the Primary Listing Market traded such security until the close of its regular trading session without a halt.

(b) If the IIV or the value of the underlying index continues not to be calculated or widely available as of the commencement of the Early Trading Session on the next business day, the Exchange shall not commence trading of the UTP Derivative Security in the Early Trading Session that day. If an interruption in the calculation or wide dissemination of the IIV or the value of the underlying index continues, the Exchange may resume trading in the UTP Derivative Security only if calculation and wide dissemination of the IIV or the value of the underlying

index resumes or trading in the UTP Derivative Security resumes in the Primary Listing Market.

(5) Resumption of Trading After a Regulatory Halt

(A) Resumption of Trading After a Regulatory Halt Other Than a SIP Halt

(i) The Exchange as the Primary Listing Market will declare a resumption of trading following a Regulatory Halt when it makes a good-faith determination that trading may resume in a fair and orderly manner and in accordance with its Rules.

(ii) The Exchange will resume trading after a Regulatory Halt other than a SIP Halt with a Halt Auction pursuant to Rule 11.23(d), except as provided below. During any trading halt or pause for which a Halt Auction under Rule 11.23(d) will not occur, orders entered during the Regulatory Halt or pause will be accepted pursuant to Rule 11.24(e).

(a) The Exchange will resume trading after a Limit Up Limit Down trading pause in accordance with Rule 11.18.

(b) The Exchange will resume trading after a Market-Wide Circuit Breaker halt as specified in Rule 11.30.

(c) In the event that the start time of a Regulatory Halt will begin between 3:50 p.m. and 4:00 p.m. or the Quote-Only Period (as described in Rule 11.23(d)) of a Halt Auction for a security subject to a Regulatory Halt would otherwise be extended by the Exchange after 3:50 p.m., the Exchange will resume trading pursuant to Rule 11.23(e).

(d) The Exchange will resume trading after a UTP Regulatory Halt other than a SIP Halt after the Exchange receives notification from the Primary Listing Market that the Regulatory Halt has been terminated. The Exchange will not conduct a Halt Auction pursuant to Rule 11.23(d) to resume trading after a Regulatory Halt in a UTP Security (including a UTP Derivative Security).

(B) Resumption of Trading After a SIP Halt

(i) Primary Listing Market

(a) For a SIP Halt initiated by the Exchange, BZX will determine when the SIP Halt will end ("SIP Halt Resume Time"). In making such determination, the Exchange will consider the

totality of information to determine whether resuming trading would promote a fair and orderly market, including input from the Processor, the Operating Committee, or the operator of the of the system in question (as well as any Trading Center(s) to which such system in linked), regarding operational readiness to resume trading. The Exchange retains discretion to delay the SIP Halt Resume Time if it believes trading will not resume in a fair and orderly manner.

(b) Before terminating a SIP Halt, the Exchange will issue a notification that specifies a SIP Halt Resume Time. The Exchange shall provide a minimum five-minute notice of a SIP Halt Resume Time, during which period market participants may enter orders in the affected securities. During Regular Trading Hours, the last SIP Halt Resume Time shall be 20 minutes before the end of Regular Trading Hours, e.g., 3:40 p.m. ET. The Exchange may stagger the SIP Halt Resume Times for multiple symbols in order to reopen in a fair and orderly manner.

(c) For a SIP Halt initiated by the Exchange, the reopening process shall be the same as for a Regulatory Halt pursuant to Rule 11.29(b)(4)(A), except that the Quote-Only Period will be a minimum of five minutes, but may be extended at the discretion of the Exchange pursuant to Rule 11.29(b)(4)(B)(i)(a) above.

(ii) Other Than Primary Listing Market. For UTP Securities subject to a SIP Halt, during Regular Trading Hours, the Exchange may resume trading after trading has resumed on the Primary Listing Market or notice has been received from the Primary Listing Market that trading may resume. During Regular Trading Hours, if the Primary Listing Market does not open a security within the amount of time specified by the rules of the Primary Listing Market after the SIP Halt Resume Time, the Exchange may resume trading in that security. Outside of Regular Trading Hours, the Exchange may resume trading in the affected security immediately after the SIP Halt Resume Time.

(c) Operational Halts

(1) Authority to Initiate an Operational Halt. The Exchange may declare an Operational Halt for any security trading on the Exchange:

(A) if it is experiencing Extraordinary Market Activity on the Exchange; or

(B) when otherwise necessary to maintain a fair and orderly market or in the public interest.

(2) Notifications. The Exchange will notify the SIP if it has concerns about its ability to collect and transmit quotes, orders, or last sale prices, or where it has declared an Operational Halt or suspension of trading in one or more Eligible Securities (as that term is defined in the Amended CTA/CQ Plan), pursuant to the procedures adopted by the Operating Committee.

(3) Order Processing During an Operational Halt

(A) On the occurrence of any Operational Halt pursuant to this Rule, the Exchange will cancel all unexecuted orders in the halted securities resting on the BZX Book, including Eligible Auction Orders as defined in Rule 11.23(a)(8).

(B) During any Operational Halt, the Exchange will reject all incoming order instructions until the Exchange resumes trading.

(C) When the Exchange is the Primary Listing Market for a security subject to an Operational Halt, trading will resume once the Operational Halt is lifted without being subject to the Halt Auction process in Rule 11.23(d).

(D) When the Exchange is not the Primary Listing Market for a security subject to an Operational Halt, trading will resume in accordance with Rule 11.24(f).

(4) Resumption of Trading After an Operational Halt

(A) When the Exchange determines that trading may resume on its market in a fair and orderly manner and in accordance with its Rules it shall resume trading following an Operational Halt.

(B) Communications. Trading in a halted security shall resume at the time specified by the Exchange in a notice. The Exchange will notify all other Plan participants and the SIP of such an Operational Halt as well as provide notice that an Operational Halt has been lifted using such protocols and other emergency procedures as may be mutually agreed to between the Operating Committee and the Exchange. If the SIP is unable to disseminate notice of an Operational Halt or the Exchange is not open for trading, the Exchange will take reasonable steps to provide notice of an Operational Halt, which shall include both the type and start time of the Operational Halt. Each Plan participant shall continuously monitor communication protocols established by the Operating Committee and the Processor during market hours to disseminate notice of an Operational Halt, and the failure of a participant to do so shall not prevent the Exchange from initiating an Operational Halt in accordance with the procedures specified herein.

Rule 11.30. Trading Halts Due to Extraordinary Market Volatility

(a) The Exchange shall halt trading in all stocks and shall not reopen for the time periods specified in this Rule if there is a Level 1, 2, or 3 Market Decline.

(1) For purposes of this Rule, a Market Decline means a decline in price of the S&P 500® Index between 9:30 a.m. and 4:00 p.m. on a trading day as compared to the closing price of the S&P 500® Index for the immediately preceding trading day. The Level 1, Level 2, and Level 3 Market Declines that will be applicable for the trading day will be publicly disseminated before 9:30 a.m.

(2) A "Level 1 Market Decline" means a Market Decline of 7%.

(3) A "Level 2 Market Decline" means a Market Decline of 13%.

(4) A "Level 3 Market Decline" means a Market Decline of 20%.

(b) Halts in Trading.

(1) If a Level 1 Market Decline or a Level 2 Market Decline occurs after 9:30 a.m. and up to and including 3:25 p.m., or in the case of an early scheduled close, 12:25 p.m., the Exchange shall halt trading in all stocks for 15 minutes after a Level 1 or Level 2 Market Decline. The Exchange shall halt trading based on a Level 1 or Level 2 Market Decline only once per trading day. The Exchange will not halt trading if a Level 1 Market Decline or a Level 2 Market Decline occurs after 3:25 p.m., or in the case of an early scheduled close, 12:25 p.m.

(2) If a Level 3 Market Decline occurs at any time during the trading day, the Exchange shall halt trading in all stocks for the remainder of the trading day.

(c) If a primary listing market halts trading in all stocks, the Exchange will halt trading in all stocks until trading has resumed on the primary listing market or notice has been received from the primary listing market that trading may resume. If the primary listing market does not reopen a security within 15 minutes following the end of the 15-minute halt period, the Exchange may resume trading in that security.

(d) Nothing in this Rule 11.30 should be construed to limit the ability of the Exchange to otherwise halt, suspend, or pause the trading in any stock or stocks traded on the Exchange pursuant to any other Exchange rule or policy.

(e) All times referenced in this Rule 11.30 shall be Eastern Time.

(f) Market-Wide Circuit Breaker ("MWCB") Testing.

(1) The Exchange will participate in all industry-wide tests of the MWCB mechanism. Members designated pursuant to paragraph (b) of Rule 2.4 to participate in

mandatory participation in testing of backup systems are required to participate in at least one industry-wide MWCB test each year and to verify their participation in that test by attesting that they are able to or have attempted to:

(A) receive and process MWCB halt messages from the securities information processors ("SIPs");

(B) receive and process resume messages from the SIPs following a MWCB halt;

(C) receive and process market data from the SIPs relevant to MWCB halts; and

(D) send orders following a Level 1 or Level 2 MWCB halt in a manner consistent with their usual trading behavior.

(2) To the extent that a Member participating in a MWCB test is unable to receive and process any of the messages identified in paragraph (f)(1)(A)-(D) of this Rules, its attestation should notify the Exchange which messages it was unable to process and, if known, why.

(3) Members not designated pursuant to standards established in paragraph (b) of Rule 2.4 are permitted to participate in any MWCB test.

(g) In the event that a halt is triggered under this Rule following a Level 1, Level 2, or Level 3 Market Decline, the Exchange, together with other SROs and industry representatives (the "MWCB Working Group"), will review such event. The MWCB Working Group will prepare a report that documents its analysis and recommendations and will provide that report to the Commission within 6 months of the event.

(h) In the event that there is (1) a Market Decline of more than 5%, or (2) an SRO implements a rule that changes its reopening process following a MWCB Halt, the Exchange, together with the MWCB Working Group, will review such event and consider whether any modifications should be made to this Rule. If the MWCB Working Group recommends that a modification should be made to this Rule, the MWCB Working Group will prepare a report that documents its analysis and recommendations and provide that report to the Commission.

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CHAPTER XIV**. CBOE BZX EXCHANGE LISTING RULES**

Chapter XIV contains rules related to the qualifications, listing and delisting of Companies on the Exchange.

- *Rule 14.1 contains definitions for the rules related to the qualification, listing and delisting of Companies on the Exchange.*

- *Rule 14.2 discusses the Exchange's general regulatory authority.*

- *Rule 14.3 sets forth the procedures and prerequisites for gaining a listing on the Exchange.*

- *Rules 14.4 and 14.5 contain the listing requirements for Units.*

- *Rule 14.6 sets forth the disclosure obligations of listed Companies.*

- *Rule 14.7 describes Direct Registration Program requirements.*

- *Rules 14.8 and 14.9 contain the specific and quantitative listing requirements for listing on the Exchange.*

- *Rule 14.10 contains the corporate governance requirements applicable to all Companies.*

- *Rule 14.11 contains special listing requirements for securities other than common or preferred stock and warrants.*

- *Rule 14.12 contains the consequences of a failure to meet the Exchange's listing standards.*

- *Rule 14.13 contains the Exchange listing fees.*

The Exchange exercises other authorities important to listed Companies pursuant to Chapters 1 through 13 of these Rules. For example, the Exchange may close markets upon request of the SEC (see Rule 11.1(c)). It may also halt the trading of a Company's securities under certain circumstances and pursuant to established procedures (see Rules 11.18, 11.29 and 11.30).

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Rule 14.3. General Procedures and Prerequisites for Initial and Continued Listing on the Exchange.

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Interpretations and Policies

.01 Impact of Non-Designation of Dually Listed Securities

To foster competition among markets and further the development of the national market system, the Exchange shall permit Companies whose securities are listed on another national securities exchange to apply also to list those securities on the Exchange. The Exchange shall make an independent determination of whether such Companies satisfy all applicable listing requirements and shall require Companies to enter into a dual listing agreement with the Exchange.

While the Exchange shall certify such dually listed securities for listing on the Exchange, the Exchange shall not exercise its authority under Rule 14.3(d) separately to designate or register such dually listed securities as Exchange national market system securities within the meaning of Section 11A of the Act or the rules thereunder. As a result, these securities, which are already designated as national market system securities under the Consolidated Quotation Service ("CQS") and Consolidated Tape Association national market system plans ("CQ and CTA Plans") or the Nasdaq Unlisted Trading Privileges national market system plan ("UTP Plan"), as applicable, shall remain subject to those plans. For purposes of the national market system, such securities shall continue to trade under their current ticker symbol. The Exchange shall continue to send all quotations and transaction reports in such securities to the processor for the CTA Plan or UTP Plan, as applicable.

Through this interpretation, the Exchange also resolves any potential conflicts that arise under Exchange rules as a result of a single security being both a security subject to the CQ and CTA Plans (a "CQS security") or a security subject to the UTP Plan (a "UTP security"), either of which is subject to one set of rules, and a listed Exchange security, which is subject to a different set of rules. Specifically, dually listed securities shall be Exchange securities for purposes of rules related to listing and delisting, and shall remain as CQS securities or UTP securities under all other Exchange rules. Treating dually listed securities as CQS securities or UTP securities under the Exchange rules is consistent with their continuing status securities under the CTA, CQ, and/or UTP Plans, as described above. This interpretation also preserves the status quo and avoids creating potential confusion for investors and market participants that currently trade these securities on the Exchange.

[For example, the Exchange shall continue to honor the trade halt authority of the primary market under the CQ and CT Plans and the UTP Plan. Exchange Rule 11.18(a)(2) and (3) governing CQS or UTP securities shall apply to dually listed securities, whereas the Exchange Rule 11.18 paragraphs (a)(1), (4), (5), (6), and (7) shall not.]

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Rule 14.6. Obligations for Companies Listed on the Exchange

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Interpretations and Policies

.01 Disclosure of Material Information

(a) No change.

(b) Notification to the Exchange's Surveillance Department

Companies must notify the Exchange's Surveillance Department prior to the distribution of certain material news at least ten minutes prior to public announcement of the news when the public release of the information is made during the Exchange market hours (7:00 a.m. to [5]8:00

p.m. ET). If the public release of the material information is made outside of the Exchange market hours, [T]the [Exchange]Company must notify the Exchange's Surveillance Department of the material information prior to 6:50 a.m. ET. Except in emergency situations, this notification must be made through the Exchange's electronic disclosure submission system available on the Exchange's Web site. In emergency situations, Companies may instead provide notification by telephone or facsimile. Examples of an emergency situation include: lack of computer or internet access; technical problems on the Exchange and a material development that no draft disclosure document exists, but immediate notification to the Exchange's Surveillance Department is important based on the material event.

* * * * *

(c) Trading Halts

A trading halt benefits current and potential Shareholders by halting all trading in any Exchange securities until there has been an opportunity for the information to be disseminated to the public. This decreases the possibility of some investors acting on information known only to them. A trading halt provides the public with an opportunity to evaluate the information and consider it in making investment decision. It also alerts the marketplace to the fact that news has been released.

The Exchange's Surveillance Department monitors real time trading in all Exchange securities during the trading day for price and volume activity. In the event of certain price and volume movements, the Exchange's Surveillance Department may contact a Company and its Market Makers in order to ascertain the cause of the unusual market activity. The Exchange's Surveillance Department treats the information provided by the Company and other sources in a highly confidential manner, and uses it to assess market activity and assist in maintaining fair and orderly markets. An Exchange listing includes an obligation to disclose to the Exchange's Surveillance Department information that the Company is not otherwise disclosing to the investing public or the financial community. On[,] occasion, changes in market activity prior to the Company's release of material information may indicate that the information has become known to the investing public. Changes in market activity also may occur when there is a release of material information by a source other than the Company, such as when an Exchange Company is subject to an unsolicited take-over bid by another company. Depending on the nature of the event and the Company's views regarding the business advisability of disclosing the information, the Exchange's Surveillance Department may work with the Company to accomplish a timely release of the information. Furthermore, depending on the materiality of the information and the anticipated affect of the information on the price of the Company's securities, the Exchange's Surveillance Department may advise the Company that a temporary trading halt is appropriate to allow for full dissemination of the information and to maintain an orderly market. The institution of a temporary trading halt pending the release of information is not a reflection on the value of the securities halted. Such trading halts are instituted, among other reasons, to insure that material information is fairly and adequately disseminated to the investing public and the marketplace, and to provide investors with the opportunity to evaluate the information in making investment decisions. A trading halt normally lasts one half hour but may last longer if a determination is made that the news has not been adequately disseminated or

that the original or an additional basis under Rule 11.18, 11.29 or 11.30 exists for continuing the trading halt.

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Rule 14.11. Other Securities

(a) – (d) No change.

(e) Trading of Certain Derivative Securities

(1) – (8) No change.

(9) Trust Units

(A) – (C) No change.

(D) The Exchange will file separate proposals under Section 19(b) of the Act before listing separate and distinct Trust Units. Trust Units will be listed and/or traded on the Exchange subject to application of the following criteria:

(i) No change.

(ii) Continued Listing.

(a) No change.

(b) The Exchange will halt trading in a series of Trust Units if the circuit breaker parameters in Rule [11.18]11.30 have been reached. In exercising its discretion to halt or suspend trading in a series of Trust Units, the Exchange may consider any relevant factors. In particular, if the portfolio and net asset value per share are not being disseminated as required, the Exchange may halt trading during the day in which the interruption to the dissemination of the portfolio holdings or net asset value per share occurs. If the interruption to the dissemination of the portfolio holdings or net asset value per share persists past the trading day in which it occurred, the Exchange will halt trading no later than the beginning of the trading day following the interruption.

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(10) Managed Trust Securities

(A) – (D) No change.

(E) Initial and Continued Listing. Managed Trust Securities will be listed and traded on the Exchange subject to application of the following criteria:

(i) No change.

(ii) Continued Listing – Each series of Managed Trust Securities will be listed and traded on the Exchange subject to application of the following continued listing criteria:

(a) – (d) No change.

(e) Trading. Halts. If the Intraday Indicative Value of a series of Managed Trust Securities is not being disseminated as required, the Exchange may halt trading during the day in which the interruption to the dissemination of the Intraday Indicative Value occurs. If the interruption to the dissemination of the Intraday Indicative Value persists past the trading day in which it occurred, the Exchange will halt trading no later than the beginning of the trading day following the interruption. If a series of Managed Trust Securities is trading on the Exchange pursuant to unlisted trading privileges, the Exchange will halt trading in that series as specified in Rule [11.18]11.29. In addition, if the Exchange becomes aware that the net asset value or the Disclosed Portfolio with respect to a series of Managed Trust Securities is not disseminated to all market participants at the same time, it will halt trading in such series until such time as the net asset value or the Disclosed Portfolio is available to all market participants.

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(j) UTP Derivative Securities

The Exchange may extend unlisted trading privileges to any security that is an NMS Stock (as defined in Rule 600 of Regulation NMS under the Act) that is listed on another national securities exchange. Any such security will be subject to all the Exchange trading rules applicable to NMS Stocks, unless otherwise noted, including provisions of Rule[s] 11.18, Rule 11.29, Rule 11.30, Rule 14.8, and Rule 14.11. Any UTP Derivative Security, as defined in Exchange Rule 1.5(ee) that is traded pursuant to Rule 19b-4(e) under the Exchange Act shall be subject to the additional following rules:

(1) – (2) No change.

(3) Trading Halts. Trading halts of UTP Derivative Securities shall be governed by Rule [11.18]11.29(b)(4). Nothing in this rule will limit the power of the Exchange under the Rules or procedures of the Exchange with respect to the Exchange's ability to suspending trading in any securities if such suspension is necessary for the protection of investors or in the public interest.

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