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

File No. * SR 2026 - * 057

Amendment No. (req. for Amendments *)

Filing by Cboe BZX Exchange, Inc.

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
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Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>
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Rule

<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)
<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)
<input type="checkbox"/> 19b-4(f)(3)	<input checked="" type="checkbox"/> 19b-4(f)(6)

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010
Section 806(e)(1) *

Section 806(e)(2) *

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 3C(b)(2) *

Exhibit 2 Sent As Paper Document

Exhibit 3 Sent As Paper Document

Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

The Exchange proposes to amend Rule 11.23.

Contact Information

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name * Sarah Last Name * Tadtman

Title * Assistant General Counsel

E-mail * stadtman@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 06/30/2026

(Title *)

By Matthew Iwamaye (Name *)

VP, Associate General Counsel

NOTE: Clicking the signature block at right will initiate digitally signing the form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

Matthew Iwamaye Date: 2026.06.30 13:00:18 -05'00'

Required fields are shown with yellow backgrounds and astericks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information *

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26-057 19b-4 - (f)(6) (LMM Managed F

The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change *

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26-057 Exhibit 1 (LMM Managed Price

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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26-057 Exhibit 5 (LMM Managed Price

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) under the Securities Exchange Act of 1934 (“Exchange Act” or the “Act”),¹ and Rule 19b-4 thereunder,² Cboe BZX Exchange, Inc. (“BZX” or the “Exchange”) is filing with the Securities and Exchange Commission (“Commission” or “SEC”) a proposed rule change to amend (1) the definition of “Collar Price Range” under Exchange Rule 11.23(a)(6) and to remove the existing Collar Midpoint definition therefrom; (2) Exchange Rule 11.23(a)(22) to adopt a standalone definition of the term “Collar Midpoint” that provides the Exchange with discretion to set the Collar Midpoint in any circumstance where no Volume Based Tie Breaker is available; and (3) Exchange Rule 11.23(d)(2)(F)(i) to separately articulate the price determination standards applicable to IPO Auctions in BZX-listed corporate securities and ETP IPO Auctions.

(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 June 30, 2026. The Exchange will announce via Exchange Notice the implementation date of the proposed rule change no later than 90 days after the operative date of this rule filing.

(b) Please refer questions and comments on the proposed rule change to Pat Sexton, Executive Vice President, General Counsel, and Corporate Secretary, (312) 786-

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

7467, or Sarah Tadtman, (913) 424-2970, Cboe BZX Exchange, Inc., 433 West Van Buren Street, Chicago, Illinois 60607.

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

(a) Purpose

The Exchange proposes to amend Rule 11.23(a)(6), Rule 11.23(a)(22), and Rule 11.23(d)(2)(F)(i) to: (1) remove the existing Collar Midpoint³ definition language from Rule 11.23(a)(6); (2) adopt a standalone definition of the term “Collar Midpoint” under Rule 11.23(a)(22) that provides the Exchange with discretion to set the Collar Midpoint in any circumstance where no Volume Based Tie Breaker⁴ is available. This authority is similar to, but broader in scope than, the Exchange’s existing authority under Rule 11.23(a)(6) to adjust the issue price as Collar Midpoint for ETP IPO Auctions; and (3) separately articulate the price determination standards applicable to IPO Auctions in BZX-listed corporate securities and ETP IPO Auctions, including the express elimination of the Collar Price Range for ETP IPO Auctions. The proposed elimination of the Collar Price Range for ETP IPO Auctions is similar to the rules of NYSE Arca, Inc. (“NYSE Arca”), which does not apply Auction Collars to IPO Auctions in Derivative Securities Products (i.e., ETPs) under NYSE Arca Rule 7.35-E(f)(2). The proposed Exchange discretion to set the Collar Midpoint when no Volume Based Tie Breaker is available is modeled on the Nasdaq Stock Market LLC (“Nasdaq”) Rule 4120(c)(7)(A)(i), which provides that in the event there is no Nasdaq last

³ See Exchange Rule 11.23(a)(6).

⁴ See Exchange Rule 11.23(a)(23).

sale price or Nasdaq Official Closing Price (“NOCP”), Nasdaq’s MarketWatch Department retains discretion to set the Auction Reference Price.

Background

Exchange Rule 11.23(a)(6) defines the term “Collar Price Range” as the range from a set percentage below the Collar Midpoint to above the Collar Midpoint, with the applicable percentage determined by the value of the Collar Midpoint at the time of the auction. The Collar Midpoint is generally the Volume Based Tie Breaker for all applicable auctions, except for IPO Auctions in ETPs (as defined in Rule 11.8, Interpretation and Policy .02(d)(2)), for which the Collar Midpoint is the issue price, as may be adjusted by the Exchange in its discretion.⁵ Under the current rule, the Collar Price Range applies to all IPO Auctions on the Exchange, including ETP IPO Auctions. For ETP IPO Auctions, the rule designates the issue price, which is typically provided by the ETP issuer the day prior to the IPO launch, as the Collar Midpoint rather than the Volume Based Tie Breaker used in other auctions, but does not otherwise exempt ETP IPO Auctions from the application of a Collar Price Range. Exchange Rule 11.23(d)(2)(F)(i) governs the determination of the BZX IPO and Halt Auction Price and currently provides only that orders will be executed at the price that maximizes the number of shares executed in the auction, without separately

⁵ The Exchange recently amended the definition of “Collar Price Range” to provide that The Collar Midpoint will be the Volume Based Tie Breaker for all applicable auctions, except for IPO Auctions in ETPs (as defined in Rule 11.8, Interpretation and Policy .02(d)(2)), for which the Collar Midpoint will be the issue price, *as may be adjusted by the Exchange in its discretion*. See Securities Exchange Act No. 105868 (June 15, 2026) 91 FR 36901 (June 18, 2026) (SR-CboeBZX-2026-055) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Provide the Exchange with Explicit Authority to Adjust the Issue Price of a ETP IPO Security for Purposes of Applying the Collar Price Range to an ETP IPO Auction) (the “Issue Price Amendment”).

distinguishing between BZX-listed corporate securities and ETP IPO Securities with respect to the application of the Collar Price Range.

The Exchange recently amended Rule 11.23 to, among other things, separately delineate provisions applicable to BZX-listed corporate securities and ETP IPO Securities and to adopt a price validation test⁶ for ETP IPO Auctions under Rule 11.23(d)(2)(C)(vi).⁷ As adopted, Rule 11.23(d)(2)(C)(vi) provides that the price validation test applies beginning at 9:30 a.m. ET and that in no circumstance will the Quote-Only Period be extended past 9:45 a.m. ET under that provision. If the ETP IPO Security has not passed the price validation test by 9:45 a.m. ET, the price validation test will no longer apply and the Quote-Only Period will terminate, provided that no other conditions under Rule 11.23(d)(2)(C) are present. Although SR-CboeBZX-2025-149 established a robust price discovery framework for ETP IPO Auctions through the price validation test, it did not address the application of the Collar Price Range to ETP IPO Auctions.

Proposal

⁶ Under the price validation test, beginning at 8:00 a.m. ET the System determines and displays the live Indicative Price of the ETP IPO Security to the lead market maker (the “LMM”), who may approve an Indicative Price (the most recently approved Indicative Price at the time of each application of the test being the “Expected Price”) and select upper and lower price bands around the Expected Price (defaulting to \$0.10 each if the LMM does not select price bands, and not to exceed \$0.50). Beginning at 9:30 a.m. ET, the ETP IPO Security is automatically subjected to the price validation test, which is reapplied in five-second increments following each failure. The ETP IPO Security does not pass the price validation test if the Indicative Price differs from the Expected Price by an amount in excess of the price bands, in which case the Quote-Only Period is automatically extended in five-second increments, but in no circumstance past 9:45 a.m. ET. If the ETP IPO Security has not passed the price validation test by 9:45 a.m. ET, the price validation test will no longer apply and the Quote-Only Period will terminate, provided that no other conditions under Rule 11.23(d)(2)(C) are present. See *infra* note 7.

⁷ See Securities Exchange Act Release No. 34-105124 (March 31, 2026) 91 FR 17011 (April 3, 2026) (SR-CboeBZX-2025-149) (Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 1) (the “Approval Order”).

The Exchange proposes to amend Rule 11.23(a)(6) to remove the existing Collar Midpoint definition language from the Collar Price Range definition. Specifically, the Exchange proposes to delete the sentence currently providing that the Collar Midpoint will be the Volume Based Tie Breaker for all applicable auctions, except for IPO Auctions in ETPs (as defined in Rule 11.8, Interpretation and Policy .02(d)(2)), for which the Collar Midpoint will be the issue price, as well as the “as defined below” parenthetical reference to the Collar Midpoint in Rule 11.23(a)(6).

In lieu of the foregoing, the Exchange proposes to adopt a standalone definition of the term “Collar Midpoint” under Rule 11.23(a)(22) (currently reserved). As proposed, Rule 11.23(a)(22) will provide that the term “Collar Midpoint” will be the Volume Based Tie Breaker. When there is no Volume Based Tie Breaker (including no Final Last Sale Eligible Trade), the Exchange retains discretion to set the Collar Midpoint.

The Exchange’s retention of discretion to set the Collar Midpoint when no Volume Based Tie Breaker is available is substantively similar to, and builds upon, the authority the Exchange recently established via the Issue Price Amendment which amended Rule 11.23(a)(6) to provide the Exchange with explicit authority to adjust the issue price of an ETP IPO Security for purposes of applying the Collar Price Range to an ETP IPO Auction.⁸ In the Issue Price Amendment, the Exchange recognized that circumstances may arise in which the stated issue price does not accurately reflect the current anticipated value of an ETP IPO Security at the time of the auction — for example, where market conditions have materially changed since the issue price was established, where external market data for the

⁸ Supra note 5.

underlying assets or portfolio indicates that the issue price is no longer reflective of anticipated value, or where the underlying assets of the ETP IPO Security have experienced significant price volatility between the time the issue price was established and the time of the auction — and that mechanically applying a Collar Price Range anchored to a stale or inaccurate issue price could impede efficient price discovery. The Issue Price Amendment addressed this concern by permitting the Exchange to adjust the issue price in its discretion for purposes of setting the Collar Midpoint.

The discretion proposed herein is effectively the same in operation, but is structured differently to reflect the new framework established by this filing. Rather than providing the Exchange with authority to adjust a specific reference price (the issue price), proposed Rule 11.23(a)(22) provides that when no Volume Based Tie Breaker exists, including where there is no Final Last Sale Eligible Trade, the Exchange retains discretion to set the Collar Midpoint itself. This approach is appropriate for two reasons. First, under the proposed rule, the Collar Midpoint is defined by reference to the Volume Based Tie Breaker rather than the issue price, so the relevant adjustment authority must correspondingly refer to the Collar Midpoint rather than the issue price. Second, by framing the discretion at the level of the Collar Midpoint, rather than as an adjustment to a specific reference price, the authority is broader in one respect: it is not limited to circumstances arising in an ETP IPO Auction but would extend to any situation in which no Volume Based Tie Breaker is available, including edge cases where a Halt Auction, rather than an IPO Auction, is required to initiate trading in an ETP IPO Security. In such circumstances, no prior trading history would exist from which to derive a Volume Based Tie Breaker, and the Exchange would need to determine an appropriate Collar Midpoint by reference to external data sources — for example, market

data vendors providing pricing information for comparable instruments or the security's underlying portfolio components — to ensure that the Collar Price Range is grounded in current market conditions.

As with the authority established in the Issue Price Amendment and consistent with the analogous provision adopted by Nasdaq in Nasdaq Rule 4120(c)(7)(A)(i), any exercise of this discretion would be limited solely to setting the Collar Midpoint for purposes of calculating the Collar Price Range and would not determine the ultimate price at which the security executes in the auction. The Exchange believes this approach ensures that any application of a Collar Price Range in such circumstances remains anchored to a current and accurate valuation, consistent with the principles underlying the Issue Price Amendment.

The Exchange believes that the application of a Collar Price Range to ETP IPO Auctions is unnecessary and is not well suited to the nature of ETP IPO Auctions. While an ETP issuer typically provides an issue price prior to the IPO launch, the application of a Collar Price Range around that price in an ETP IPO Auction is unnecessary in light of the price validation test adopted pursuant to the Approval Order, which already provides a robust and tailored mechanism for promoting orderly price formation in ETP IPO Auctions during the period from 9:30 a.m. ET to 9:45 a.m. ET. The Collar Price Range therefore adds no incremental investor protection beyond what the price validation test already provides during that period. After the price validation test expires at 9:45 a.m. ET, the Limit Up-Limit Down price bands (“LULD Price Bands”) established pursuant to the National Market System Plan to Address Extraordinary Market Volatility (the “LULD Plan”) are already in effect by operation of the LULD Plan for any ETP IPO Auction that has not yet occurred, providing a well-established, transparent, and market-wide investor protection framework

calibrated to the security's reference price. Accordingly, robust price protections remain in place throughout the ETP IPO Auction process without the need for a Collar Price Range at any stage.

The Exchange also proposes to amend Rule 11.23(d)(2)(F)(i) to separately articulate the applicable price determination standard for each auction type. For IPO Auctions in BZX-listed corporate securities, the current standard (execution at the price level within the Collar Price Range that maximizes the number of shares executed in the auction) is retained without modification. For ETP IPO Auctions, the proposed rule provides that orders will be executed at the price level that maximizes the number of shares executed in the auction, and that no Collar Price Range shall apply. For the avoidance of doubt, the proposed elimination of the Collar Price Range applies only to ETP IPO Auctions. For IPO Auctions in BZX-listed corporate securities, there is no substantive change herein, and the Collar Price Range will continue to apply as it does under the current rule.

Operative Date

The Exchange will announce the implementation date of this proposed rule change via Exchange Notice no later than 90 days after the operative date of this filing. In connection with this filing, the Exchange is also extending the implementation date of SR-CboeBZX-2025-149 for an additional 90 days after the operative date of this filing, to allow the Exchange sufficient time to implement all related changes in a coordinated manner. The Exchange will announce the extended implementation date of SR-CboeBZX-2025-149 via Exchange Notice concurrently with the announcement of the implementation date of this filing.

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

The Exchange believes the proposed elimination of the Collar Price Range for ETP IPO Auctions removes impediments to and perfects the mechanism of a free and open market and a national market system by permitting ETP IPO Auctions to execute at a price that fully reflects market supply and demand without an artificial price constraint that is not well calibrated to the ETP IPO Auction context. The Collar Price Range was designed for contexts where a meaningful reference price, such as the IPO offering price

⁹ 15 U.S.C. 78f(b).

¹⁰ 15 U.S.C. 78f(b)(5).

¹¹ Id.

for a BZX-listed corporate security established through an underwriting process, exists and is appropriate as an auction price constraint. In the ETP IPO Auction context, no analogous underwriting-derived price anchor exists, and the price validation test adopted pursuant to the Approval Order already provides a robust and tailored investor protection mechanism from 9:30 a.m. ET to 9:45 a.m. ET, making the additional application of a Collar Price Range duplicative and unnecessary during that period. After 9:45 a.m. ET, LULD Price Bands are already in effect by operation of the LULD Plan, providing a market-wide investor protection framework that applies consistently with the protections afforded to all listed securities. The Exchange therefore believes that eliminating the Collar Price Range for ETP IPO Auctions is consistent with the protection of investors and the public interest, as meaningful price protections remain in place throughout the ETP IPO Auction process through the price validation test and, thereafter, through the LULD Price Bands.

Moreover, the application of a Collar Price Range to an ETP IPO Auction can operate in tension with the price validation test. The price validation test constrains the ETP IPO Auction to a price within the LMM-selected price bands around the Expected Price, which reflects the LMM's real-time assessment of prevailing market conditions, whereas the Collar Price Range constrains the auction price to a percentage range around the Collar Midpoint, which for an ETP IPO Auction is anchored to the issue price established by the ETP issuer the day prior to the IPO launch. Because the two mechanisms are calibrated to different reference points, they can produce conflicting constraints: an Indicative Price that satisfies the price validation test, and thus reflects current market conditions and the LMM's and issuer's expectations, could nonetheless fall outside a Collar Price Range anchored to a

stale or no-longer-representative issue price, thereby preventing the ETP IPO Auction from executing at a validated, market-reflective price. Applying both mechanisms simultaneously could therefore impede efficient price discovery and undermine the tailored protections of the price validation test, rather than provide any incremental investor protection.

The Exchange further believes this aspect of the proposal promotes just and equitable principles of trade by aligning the Exchange's ETP IPO Auction framework with the approach taken by NYSE Arca, which does not apply Auction Collars to IPO Auctions in Derivative Securities Products under NYSE Arca Rule 7.35-E(f)(2).

The Exchange believes the proposed amendment to Rule 11.23(a)(22) to adopt a standalone definition of the term "Collar Midpoint" promotes clarity and transparency in the Exchange's rules, consistent with the Section 6(b)(5) requirement that exchange rules be designed to remove impediments to and perfect the mechanism of a free and open market. By separating the Collar Midpoint definition from the Collar Price Range definition in Rule 11.23(a)(6), the proposed amendment makes the Exchange's rules easier to navigate and understand for market participants, which the Exchange believes promotes just and equitable principles of trade.

The Exchange also believes the proposed Exchange discretion to set the Collar Midpoint when no Volume Based Tie Breaker is available is consistent with the protection of investors and the public interest. As described above, this authority is substantively similar to, and builds upon, the authority established in the Issue Price Amendment and is modeled on the analogous discretionary authority retained by Nasdaq's MarketWatch Department under Nasdaq Rule 4120(c)(7)(A)(i). The Exchange believes that retaining this discretion is necessary and appropriate to ensure that, in any

circumstance where no Volume Based Tie Breaker is available, including edge cases where a Halt Auction is required to initiate trading in an ETP IPO Security, any application of a Collar Price Range remains anchored to a current and accurate reference point reflective of prevailing market conditions, rather than a stale or unavailable price. Mechanically applying a Collar Price Range in the absence of a meaningful reference point could impede efficient price discovery and result in an auction price that does not accurately reflect market supply and demand, which would be inconsistent with the protection of investors and the public interest.

The Exchange notes that, consistent with the Issue Price Amendment, any exercise of this discretion would be limited solely to setting the Collar Midpoint for purposes of calculating the Collar Price Range and would not determine the ultimate price at which the security executes in the auction. The Exchange therefore believes this authority is appropriately cabined and does not raise concerns under the Section 6(b)(5) requirement that exchange rules not be designed to permit unfair discrimination, as it applies uniformly to all securities in circumstances where no Volume Based Tie Breaker is available and does not favor any particular market participant.

The Exchange believes the proposed amendment to Rule 11.23(d)(2)(F)(i) to separately articulate the price determination standards applicable to IPO Auctions in BZX-listed corporate securities and ETP IPO Auctions promotes clarity and transparency in the Exchange's rules, consistent with the Section 6(b)(5) requirement that exchange rules be designed to remove impediments to and perfect the mechanism of a free and open market. This organizational approach is consistent with the framework adopted in Approval Order, which separately delineated provisions applicable to BZX-listed

corporate securities and ETP IPO Securities throughout Rule 11.23. By expressly stating in Rule 11.23(d)(2)(F)(i) that no Collar Price Range applies to ETP IPO Auctions, the proposed amendment ensures that the rule clearly and unambiguously reflects the Exchange's intended auction price determination process for each security type, which the Exchange believes promotes just and equitable principles of trade and the protection of investors and the public interest.

Item 4. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe the proposed rule change will impose any burden on intramarket competition. The proposed amendments apply uniformly to all market participants that participate in ETP IPO Auctions on the Exchange. The elimination of the Collar Price Range for ETP IPO Auctions applies equally to all orders submitted to an ETP IPO Auction, regardless of the type of market participant submitting the order, and does not advantage or disadvantage any particular category of market participant relative to any other. Similarly, the proposed standalone definition of the term "Collar Midpoint" under Rule 11.23(a)(22) and the Exchange's retention of discretion to set the Collar Midpoint when no Volume Based Tie Breaker is available applies uniformly across all securities and all market participants in circumstances where that discretion may be exercised. No market participant receives preferential treatment as a result of any aspect of the proposed rule change. The proposed amendment to Rule 11.23(d)(2)(F)(i) to separately articulate the price determination standards applicable to IPO Auctions in BZX-listed corporate securities and ETP IPO Auctions is organizational

in nature and does not alter the substantive rights or obligations of any market participant. Accordingly, the Exchange does not believe the proposed rule change imposes any burden on intramarket competition.

The Exchange does not believe the proposed rule change will impose any burden on intermarket competition. To the contrary, the Exchange believes the proposed rule change will promote intermarket competition by aligning the Exchange's ETP IPO Auction framework more closely with those of competing national securities exchanges. As noted above, the proposed elimination of the Collar Price Range for ETP IPO Auctions is consistent with the approach taken by NYSE Arca, which does not apply Auction Collars to IPO Auctions in Derivative Securities Products under NYSE Arca Rule 7.35-E(f)(2), and the proposed Exchange discretion to set the Collar Midpoint when no Volume Based Tie Breaker is available is modeled on the analogous discretionary authority retained by Nasdaq's MarketWatch Department under Nasdaq Rule 4120(c)(7)(A)(i). By adopting rules that are consistent with, and in certain respects modeled on, those of competing exchanges, the proposed rule change promotes a level regulatory playing field across national securities exchanges with respect to the conduct of ETP IPO Auctions. To the extent the proposed changes make the Exchange a more attractive venue for ETP IPO listings by reducing unnecessary constraints on the ETP IPO Auction process, this reflects legitimate competition among exchanges to offer superior services and functionality, which is a goal the Act is designed to promote. Other exchanges remain free to propose similar or alternative functionality for their own ETP IPO listing programs.

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 Act¹² and Rule 19b-4(f)(6)¹³ thereunder.

(b) The Exchange designates that the proposed rule change effects a change that (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest. Additionally, the Exchange has given the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission.

The Exchange believes the proposed rule change qualifies as a non-controversial rule change under Rule 19b-4(f)(6) because it does not significantly affect the protection

¹² 15 U.S.C. 78s(b)(3)(A).

¹³ 17 CFR 240.19b-4(f)(6).

of investors or the public interest, does not impose any significant burden on competition, and does not become operative for 30 days after the date of filing, or such shorter time as the Commission may designate. The proposed rule change is substantively consistent with rules of other national securities exchanges that have already been reviewed and approved by the Commission. Specifically, NYSE Arca Rule 7.35-E(f)(2), which does not apply Auction Collars to IPO Auctions in Derivative Securities Products, and Nasdaq Rule 4120(c)(7)(A)(i), which provides Nasdaq's MarketWatch Department with discretion to set the Auction Reference Price when no Nasdaq last sale price or NOCP is available.

To the extent the proposed rule change differs from the rules of NYSE Arca and Nasdaq on which it is based, the Exchange believes those differences do not render the proposed rule change controversial. With respect to NYSE Arca Rule 7.35-E(f)(2), the proposed rule change is tailored to the Exchange's existing auction framework under Rule 11.23, including the price validation test adopted pursuant to the Approval Order and the retention of the Collar Price Range for IPO Auctions in BZX-listed corporate securities. These differences reflect the Exchange's implementation of the same core principle underlying NYSE Arca Rule 7.35-E(f)(2), that Auction Collars are unnecessary and ill-suited to IPO Auctions in ETPs, within the context of the Exchange's own rulebook structure and the investor protection framework already applicable to ETP IPO Auctions on the Exchange. With respect to Nasdaq Rule 4120(c)(7)(A)(i), the proposed rule change differs in that the Exchange's discretion applies to the setting of the Collar Midpoint for purposes of calculating the Collar Price Range, rather than to the setting of an Auction Reference Price, and vests that discretion in the Exchange generally rather

than in a named department, consistent with the Exchange's existing governance framework for the exercise of operational discretion. These differences are structural rather than substantive and do not raise novel or significant regulatory issues. In each case, the underlying policy rationale is the same: to ensure that, in circumstances where no reliable automated reference point is available, the exchange retains the ability to set an appropriate reference price grounded in current market conditions, rather than mechanically applying a price constraint anchored to a stale or unavailable value.

The proposed rule change builds upon the Exchange's own previously approved rule changes (the Issue Price Amendment and The Approval Order) and is a logical and incremental extension of those prior filings to address the remaining aspect of the ETP IPO Auction framework not resolved therein. For these reasons, the Exchange submits that the proposed rule change is non-controversial and does not raise novel or significant regulatory issues warranting the full notice-and-comment period.

For the foregoing reasons, this rule filing qualifies as a "non-controversial" rule change under Rule 19b-4(f)(6), which renders the proposed rule change effective upon filing with the Commission. At any time within 60 days of the filing of this proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

(c) Not applicable.

(d) Not applicable.

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

The proposed rule change is based in part on rules of other self-regulatory organizations. Specifically, the proposed elimination of the Collar Price Range for ETP IPO Auctions is based in part on NYSE Arca Rule 7.35-E(f)(2), which does not apply Auction Collars to IPO Auctions in Derivative Securities Products (i.e., ETPs) listed on NYSE Arca. The proposed rule change differs from NYSE Arca Rule 7.35-E(f)(2) to the extent it is tailored to the Exchange's existing auction framework under Rule 11.23, including the price validation test adopted pursuant to Approval Order and the retention of the Collar Price Range for IPO Auctions in BZX-listed corporate securities. These differences do not render the proposed rule change controversial, as they reflect the Exchange's adoption of the same core principle underlying NYSE Arca Rule 7.35-E(f)(2), that Auction Collars are unnecessary and ill-suited to IPO Auctions in ETPs, within the context of the Exchange's own rulebook structure and the investor protection framework already applicable to ETP IPO Auctions on the Exchange.

The proposed Exchange discretion to set the Collar Midpoint in any circumstance where no Volume Based Tie Breaker is available is based in part on Nasdaq Rule 4120(c)(7)(A)(i), which provides that in the event there is no Nasdaq last sale price or NOCP, Nasdaq's MarketWatch Department retains discretion to set the Auction Reference Price. The proposed rule change differs from Nasdaq Rule 4120(c)(7)(A)(i) in that it applies to the setting of the Collar Midpoint for purposes of calculating the Collar Price Range, rather than to the setting of an Auction Reference Price, reflecting the distinct terminology and auction mechanics of the Exchange's rules. Additionally, while Nasdaq Rule 4120(c)(7)(A)(i) vests discretion in Nasdaq's MarketWatch Department specifically, the

proposed rule vests discretion in the Exchange generally, consistent with the Exchange's existing governance framework for the exercise of operational discretion in the administration of its auction processes. These differences are structural rather than substantive and do not raise novel or significant regulatory issues. In each case, the underlying policy rationale is the same: to ensure that, in circumstances where no reliable automated reference point is available, the exchange retains the ability to set an appropriate reference price grounded in current market conditions, rather than mechanically applying a price constraint anchored to a stale or unavailable value.

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.

Exhibits 2-4. Not applicable.

Exhibit 5. Proposed rule text.

EXHIBIT 1**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34- ; File No. SR-CboeBZX-2026-057]

[Insert date]

Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend Exchange Rule 11.23

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

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

Cboe BZX Exchange, Inc. (“BZX” or the “Exchange”) is filing with the Securities and Exchange Commission (“Commission” or “SEC”) a proposed rule change to amend (1) the definition of “Collar Price Range” under Exchange Rule 11.23(a)(6) and to remove the existing Collar Midpoint definition therefrom; (2) Exchange Rule 11.23(a)(22) to adopt a standalone definition of the term “Collar Midpoint” that provides

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(iii).

⁴ 17 CFR 240.19b-4(f)(6).

the Exchange with discretion to set the Collar Midpoint in any circumstance where no Volume Based Tie Breaker is available; and (3) Exchange Rule 11.23(d)(2)(F)(i) to separately articulate the price determination standards applicable to IPO Auctions in BZX-listed corporate securities and ETP IPO Auctions. 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

The Exchange proposes to amend Rule 11.23(a)(6), Rule 11.23(a)(22), and Rule 11.23(d)(2)(F)(i) to: (1) remove the existing Collar Midpoint⁵ definition language from Rule 11.23(a)(6); (2) adopt a standalone definition of the term "Collar Midpoint" under Rule 11.23(a)(22) that provides the Exchange with discretion to set the Collar Midpoint in any

⁵ See Exchange Rule 11.23(a)(6).

circumstance where no Volume Based Tie Breaker⁶ is available. This authority is similar to, but broader in scope than, the Exchange's existing authority under Rule 11.23(a)(6) to adjust the issue price as Collar Midpoint for ETP IPO Auctions; and (3) separately articulate the price determination standards applicable to IPO Auctions in BZX-listed corporate securities and ETP IPO Auctions, including the express elimination of the Collar Price Range for ETP IPO Auctions. The proposed elimination of the Collar Price Range for ETP IPO Auctions is similar to the rules of NYSE Arca, Inc. ("NYSE Arca"), which does not apply Auction Collars to IPO Auctions in Derivative Securities Products (i.e., ETPs) under NYSE Arca Rule 7.35-E(f)(2). The proposed Exchange discretion to set the Collar Midpoint when no Volume Based Tie Breaker is available is modeled on the Nasdaq Stock Market LLC ("Nasdaq") Rule 4120(c)(7)(A)(i), which provides that in the event there is no Nasdaq last sale price or Nasdaq Official Closing Price ("NOCP"), Nasdaq's MarketWatch Department retains discretion to set the Auction Reference Price.

Background

Exchange Rule 11.23(a)(6) defines the term "Collar Price Range" as the range from a set percentage below the Collar Midpoint to above the Collar Midpoint, with the applicable percentage determined by the value of the Collar Midpoint at the time of the auction. The Collar Midpoint is generally the Volume Based Tie Breaker for all applicable auctions, except for IPO Auctions in ETPs (as defined in Rule 11.8, Interpretation and Policy .02(d)(2)), for which the Collar Midpoint is the issue price, as may be adjusted by the Exchange in its discretion.⁷ Under the current rule, the Collar Price Range applies to all IPO

⁶ See Exchange Rule 11.23(a)(23).

⁷ The Exchange recently amended the definition of "Collar Price Range" to provide that The Collar Midpoint will be the Volume Based Tie Breaker for all applicable auctions, except for IPO

Auctions on the Exchange, including ETP IPO Auctions. For ETP IPO Auctions, the rule designates the issue price, which is typically provided by the ETP issuer the day prior to the IPO launch, as the Collar Midpoint rather than the Volume Based Tie Breaker used in other auctions, but does not otherwise exempt ETP IPO Auctions from the application of a Collar Price Range. Exchange Rule 11.23(d)(2)(F)(i) governs the determination of the BZX IPO and Halt Auction Price and currently provides only that orders will be executed at the price that maximizes the number of shares executed in the auction, without separately distinguishing between BZX-listed corporate securities and ETP IPO Securities with respect to the application of the Collar Price Range.

The Exchange recently amended Rule 11.23 to, among other things, separately delineate provisions applicable to BZX-listed corporate securities and ETP IPO Securities and to adopt a price validation test⁸ for ETP IPO Auctions under Rule 11.23(d)(2)(C)(vi).⁹

Auctions in ETPs (as defined in Rule 11.8, Interpretation and Policy .02(d)(2)), for which the Collar Midpoint will be the issue price, *as may be adjusted by the Exchange in its discretion*. See Securities Exchange Act No. 105868 (June 15, 2026) 91 FR 36901 (June 18, 2026) (SR-CboeBZX-2026-055) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Provide the Exchange with Explicit Authority to Adjust the Issue Price of a ETP IPO Security for Purposes of Applying the Collar Price Range to an ETP IPO Auction) (the “Issue Price Amendment”).

⁸ Under the price validation test, beginning at 8:00 a.m. ET the System determines and displays the live Indicative Price of the ETP IPO Security to the lead market maker (the “LMM”), who may approve an Indicative Price (the most recently approved Indicative Price at the time of each application of the test being the “Expected Price”) and select upper and lower price bands around the Expected Price (defaulting to \$0.10 each if the LMM does not select price bands, and not to exceed \$0.50). Beginning at 9:30 a.m. ET, the ETP IPO Security is automatically subjected to the price validation test, which is reapplied in five-second increments following each failure. The ETP IPO Security does not pass the price validation test if the Indicative Price differs from the Expected Price by an amount in excess of the price bands, in which case the Quote-Only Period is automatically extended in five-second increments, but in no circumstance past 9:45 a.m. ET. If the ETP IPO Security has not passed the price validation test by 9:45 a.m. ET, the price validation test will no longer apply and the Quote-Only Period will terminate, provided that no other conditions under Rule 11.23(d)(2)(C) are present. See infra note 7.

⁹ See Securities Exchange Act Release No. 34-105124 (March 31, 2026) 91 FR 17011 (April 3, 2026) (SR-CboeBZX-2025-149) (Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 1) (the “Approval Order”).

As adopted, Rule 11.23(d)(2)(C)(vi) provides that the price validation test applies beginning at 9:30 a.m. ET and that in no circumstance will the Quote-Only Period be extended past 9:45 a.m. ET under that provision. If the ETP IPO Security has not passed the price validation test by 9:45 a.m. ET, the price validation test will no longer apply and the Quote-Only Period will terminate, provided that no other conditions under Rule 11.23(d)(2)(C) are present. Although SR-CboeBZX-2025-149 established a robust price discovery framework for ETP IPO Auctions through the price validation test, it did not address the application of the Collar Price Range to ETP IPO Auctions.

Proposal

The Exchange proposes to amend Rule 11.23(a)(6) to remove the existing Collar Midpoint definition language from the Collar Price Range definition. Specifically, the Exchange proposes to delete the sentence currently providing that the Collar Midpoint will be the Volume Based Tie Breaker for all applicable auctions, except for IPO Auctions in ETPs (as defined in Rule 11.8, Interpretation and Policy .02(d)(2)), for which the Collar Midpoint will be the issue price, as well as the “as defined below” parenthetical reference to the Collar Midpoint in Rule 11.23(a)(6).

In lieu of the foregoing, the Exchange proposes to adopt a standalone definition of the term “Collar Midpoint” under Rule 11.23(a)(22) (currently reserved). As proposed, Rule 11.23(a)(22) will provide that the term “Collar Midpoint” will be the Volume Based Tie Breaker. When there is no Volume Based Tie Breaker (including no Final Last Sale Eligible Trade), the Exchange retains discretion to set the Collar Midpoint.

The Exchange’s retention of discretion to set the Collar Midpoint when no Volume Based Tie Breaker is available is substantively similar to, and builds upon, the authority the

Exchange recently established via the Issue Price Amendment which amended Rule 11.23(a)(6) to provide the Exchange with explicit authority to adjust the issue price of an ETP IPO Security for purposes of applying the Collar Price Range to an ETP IPO Auction.¹⁰ In the Issue Price Amendment, the Exchange recognized that circumstances may arise in which the stated issue price does not accurately reflect the current anticipated value of an ETP IPO Security at the time of the auction — for example, where market conditions have materially changed since the issue price was established, where external market data for the underlying assets or portfolio indicates that the issue price is no longer reflective of anticipated value, or where the underlying assets of the ETP IPO Security have experienced significant price volatility between the time the issue price was established and the time of the auction — and that mechanically applying a Collar Price Range anchored to a stale or inaccurate issue price could impede efficient price discovery. The Issue Price Amendment addressed this concern by permitting the Exchange to adjust the issue price in its discretion for purposes of setting the Collar Midpoint.

The discretion proposed herein is effectively the same in operation, but is structured differently to reflect the new framework established by this filing. Rather than providing the Exchange with authority to adjust a specific reference price (the issue price), proposed Rule 11.23(a)(22) provides that when no Volume Based Tie Breaker exists, including where there is no Final Last Sale Eligible Trade, the Exchange retains discretion to set the Collar Midpoint itself. This approach is appropriate for two reasons. First, under the proposed rule, the Collar Midpoint is defined by reference to the Volume Based Tie Breaker rather than the

¹⁰ Supra note 7.

issue price, so the relevant adjustment authority must correspondingly refer to the Collar Midpoint rather than the issue price. Second, by framing the discretion at the level of the Collar Midpoint, rather than as an adjustment to a specific reference price, the authority is broader in one respect: it is not limited to circumstances arising in an ETP IPO Auction but would extend to any situation in which no Volume Based Tie Breaker is available, including edge cases where a Halt Auction, rather than an IPO Auction, is required to initiate trading in an ETP IPO Security. In such circumstances, no prior trading history would exist from which to derive a Volume Based Tie Breaker, and the Exchange would need to determine an appropriate Collar Midpoint by reference to external data sources — for example, market data vendors providing pricing information for comparable instruments or the security's underlying portfolio components — to ensure that the Collar Price Range is grounded in current market conditions.

As with the authority established in the Issue Price Amendment and consistent with the analogous provision adopted by Nasdaq in Nasdaq Rule 4120(c)(7)(A)(i), any exercise of this discretion would be limited solely to setting the Collar Midpoint for purposes of calculating the Collar Price Range and would not determine the ultimate price at which the security executes in the auction. The Exchange believes this approach ensures that any application of a Collar Price Range in such circumstances remains anchored to a current and accurate valuation, consistent with the principles underlying the Issue Price Amendment.

The Exchange believes that the application of a Collar Price Range to ETP IPO Auctions is unnecessary and is not well suited to the nature of ETP IPO Auctions. While an ETP issuer typically provides an issue price prior to the IPO launch, the application of a Collar Price Range around that price in an ETP IPO Auction is unnecessary in light of the

price validation test adopted pursuant to the Approval Order, which already provides a robust and tailored mechanism for promoting orderly price formation in ETP IPO Auctions during the period from 9:30 a.m. ET to 9:45 a.m. ET. The Collar Price Range therefore adds no incremental investor protection beyond what the price validation test already provides during that period. After the price validation test expires at 9:45 a.m. ET, the Limit Up-Limit Down price bands (“LULD Price Bands”) established pursuant to the National Market System Plan to Address Extraordinary Market Volatility (the “LULD Plan”) are already in effect by operation of the LULD Plan for any ETP IPO Auction that has not yet occurred, providing a well-established, transparent, and market-wide investor protection framework calibrated to the security’s reference price. Accordingly, robust price protections remain in place throughout the ETP IPO Auction process without the need for a Collar Price Range at any stage.

The Exchange also proposes to amend Rule 11.23(d)(2)(F)(i) to separately articulate the applicable price determination standard for each auction type. For IPO Auctions in BZX-listed corporate securities, the current standard (execution at the price level within the Collar Price Range that maximizes the number of shares executed in the auction) is retained without modification. For ETP IPO Auctions, the proposed rule provides that orders will be executed at the price level that maximizes the number of shares executed in the auction, and that no Collar Price Range shall apply. For the avoidance of doubt, the proposed elimination of the Collar Price Range applies only to ETP IPO Auctions. For IPO Auctions in BZX-listed corporate securities, there is no substantive change herein, and the Collar Price Range will continue to apply as it does under the current rule.

Operative Date

The Exchange will announce the implementation date of this proposed rule change via Exchange Notice no later than 90 days after the operative date of this filing. In connection with this filing, the Exchange is also extending the implementation date of SR-CboeBZX-2025-149 for an additional 90 days after the operative date of this filing, to allow the Exchange sufficient time to implement all related changes in a coordinated manner. The Exchange will announce the extended implementation date of SR-CboeBZX-2025-149 via Exchange Notice concurrently with the announcement of the implementation date of this filing.

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.¹¹ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹² 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

¹¹ 15 U.S.C. 78f(b).

¹² 15 U.S.C. 78f(b)(5).

proposed rule change is consistent with the Section 6(b)(5)¹³ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange believes the proposed elimination of the Collar Price Range for ETP IPO Auctions removes impediments to and perfects the mechanism of a free and open market and a national market system by permitting ETP IPO Auctions to execute at a price that fully reflects market supply and demand without an artificial price constraint that is not well calibrated to the ETP IPO Auction context. The Collar Price Range was designed for contexts where a meaningful reference price, such as the IPO offering price for a BZX-listed corporate security established through an underwriting process, exists and is appropriate as an auction price constraint. In the ETP IPO Auction context, no analogous underwriting-derived price anchor exists, and the price validation test adopted pursuant to the Approval Order already provides a robust and tailored investor protection mechanism from 9:30 a.m. ET to 9:45 a.m. ET, making the additional application of a Collar Price Range duplicative and unnecessary during that period. After 9:45 a.m. ET, LULD Price Bands are already in effect by operation of the LULD Plan, providing a market-wide investor protection framework that applies consistently with the protections afforded to all listed securities. The Exchange therefore believes that eliminating the Collar Price Range for ETP IPO Auctions is consistent with the protection of investors and the public interest, as meaningful price protections remain in place throughout the

¹³ Id.

ETP IPO Auction process through the price validation test and, thereafter, through the LULD Price Bands.

Moreover, the application of a Collar Price Range to an ETP IPO Auction can operate in tension with the price validation test. The price validation test constrains the ETP IPO Auction to a price within the LMM-selected price bands around the Expected Price, which reflects the LMM's real-time assessment of prevailing market conditions, whereas the Collar Price Range constrains the auction price to a percentage range around the Collar Midpoint, which for an ETP IPO Auction is anchored to the issue price established by the ETP issuer the day prior to the IPO launch. Because the two mechanisms are calibrated to different reference points, they can produce conflicting constraints: an Indicative Price that satisfies the price validation test, and thus reflects current market conditions and the LMM's and issuer's expectations, could nonetheless fall outside a Collar Price Range anchored to a stale or no-longer-representative issue price, thereby preventing the ETP IPO Auction from executing at a validated, market-reflective price. Applying both mechanisms simultaneously could therefore impede efficient price discovery and undermine the tailored protections of the price validation test, rather than provide any incremental investor protection.

The Exchange further believes this aspect of the proposal promotes just and equitable principles of trade by aligning the Exchange's ETP IPO Auction framework with the approach taken by NYSE Arca, which does not apply Auction Collars to IPO Auctions in Derivative Securities Products under NYSE Arca Rule 7.35-E(f)(2).

The Exchange believes the proposed amendment to Rule 11.23(a)(22) to adopt a standalone definition of the term "Collar Midpoint" promotes clarity and transparency in the Exchange's rules, consistent with the Section 6(b)(5) requirement that exchange rules

be designed to remove impediments to and perfect the mechanism of a free and open market. By separating the Collar Midpoint definition from the Collar Price Range definition in Rule 11.23(a)(6), the proposed amendment makes the Exchange's rules easier to navigate and understand for market participants, which the Exchange believes promotes just and equitable principles of trade.

The Exchange also believes the proposed Exchange discretion to set the Collar Midpoint when no Volume Based Tie Breaker is available is consistent with the protection of investors and the public interest. As described above, this authority is substantively similar to, and builds upon, the authority established in the Issue Price Amendment and is modeled on the analogous discretionary authority retained by Nasdaq's MarketWatch Department under Nasdaq Rule 4120(c)(7)(A)(i). The Exchange believes that retaining this discretion is necessary and appropriate to ensure that, in any circumstance where no Volume Based Tie Breaker is available, including edge cases where a Halt Auction is required to initiate trading in an ETP IPO Security, any application of a Collar Price Range remains anchored to a current and accurate reference point reflective of prevailing market conditions, rather than a stale or unavailable price. Mechanically applying a Collar Price Range in the absence of a meaningful reference point could impede efficient price discovery and result in an auction price that does not accurately reflect market supply and demand, which would be inconsistent with the protection of investors and the public interest.

The Exchange notes that, consistent with the Issue Price Amendment, any exercise of this discretion would be limited solely to setting the Collar Midpoint for purposes of calculating the Collar Price Range and would not determine the ultimate

price at which the security executes in the auction. The Exchange therefore believes this authority is appropriately cabined and does not raise concerns under the Section 6(b)(5) requirement that exchange rules not be designed to permit unfair discrimination, as it applies uniformly to all securities in circumstances where no Volume Based Tie Breaker is available and does not favor any particular market participant.

The Exchange believes the proposed amendment to Rule 11.23(d)(2)(F)(i) to separately articulate the price determination standards applicable to IPO Auctions in BZX-listed corporate securities and ETP IPO Auctions promotes clarity and transparency in the Exchange's rules, consistent with the Section 6(b)(5) requirement that exchange rules be designed to remove impediments to and perfect the mechanism of a free and open market. This organizational approach is consistent with the framework adopted in Approval Order, which separately delineated provisions applicable to BZX-listed corporate securities and ETP IPO Securities throughout Rule 11.23. By expressly stating in Rule 11.23(d)(2)(F)(i) that no Collar Price Range applies to ETP IPO Auctions, the proposed amendment ensures that the rule clearly and unambiguously reflects the Exchange's intended auction price determination process for each security type, which the Exchange believes promotes just and equitable principles of trade and the protection of investors and the public interest.

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

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

market participants that participate in ETP IPO Auctions on the Exchange. The elimination of the Collar Price Range for ETP IPO Auctions applies equally to all orders submitted to an ETP IPO Auction, regardless of the type of market participant submitting the order, and does not advantage or disadvantage any particular category of market participant relative to any other. Similarly, the proposed standalone definition of the term “Collar Midpoint” under Rule 11.23(a)(22) and the Exchange’s retention of discretion to set the Collar Midpoint when no Volume Based Tie Breaker is available applies uniformly across all securities and all market participants in circumstances where that discretion may be exercised. No market participant receives preferential treatment as a result of any aspect of the proposed rule change. The proposed amendment to Rule 11.23(d)(2)(F)(i) to separately articulate the price determination standards applicable to IPO Auctions in BZX-listed corporate securities and ETP IPO Auctions is organizational in nature and does not alter the substantive rights or obligations of any market participant. Accordingly, the Exchange does not believe the proposed rule change imposes any burden on intramarket competition.

The Exchange does not believe the proposed rule change will impose any burden on intermarket competition. To the contrary, the Exchange believes the proposed rule change will promote intermarket competition by aligning the Exchange’s ETP IPO Auction framework more closely with those of competing national securities exchanges. As noted above, the proposed elimination of the Collar Price Range for ETP IPO Auctions is consistent with the approach taken by NYSE Arca, which does not apply Auction Collars to IPO Auctions in Derivative Securities Products under NYSE Arca Rule 7.35-E(f)(2), and the proposed Exchange discretion to set the Collar Midpoint when

no Volume Based Tie Breaker is available is modeled on the analogous discretionary authority retained by Nasdaq's MarketWatch Department under Nasdaq Rule 4120(c)(7)(A)(i). By adopting rules that are consistent with, and in certain respects modeled on, those of competing exchanges, the proposed rule change promotes a level regulatory playing field across national securities exchanges with respect to the conduct of ETP IPO Auctions. To the extent the proposed changes make the Exchange a more attractive venue for ETP IPO listings by reducing unnecessary constraints on the ETP IPO Auction process, this reflects legitimate competition among exchanges to offer superior services and functionality, which is a goal the Act is designed to promote. Other exchanges remain free to propose similar or alternative functionality for their own ETP IPO listing programs.

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 Act¹⁴ and Rule 19b-4(f)(6)¹⁵ thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

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

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-2026-057 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-2026-057. This file number should be included on the subject line if email is used. To help the Commission

¹⁴ 15 U.S.C. 78s(b)(3)(A).

¹⁵ 17 CFR 240.19b-4(f)(6).

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-2026-057 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.¹⁶

Sherry R. Haywood,

Assistant Secretary.

¹⁶ 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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Rule 11.23. Auctions

(a) Definitions

(1)-(5) No change.

(6) The term “Collar Price Range” shall mean the range from a set percentage below the Collar Midpoint [(as defined below)]_to above the Collar Midpoint, such set percentage being dependent on the value of the Collar Midpoint at the time of the auction, as described below. [The Collar Midpoint will be the Volume Based Tie Breaker for all applicable auctions, except for IPO Auctions in ETPs (as defined in Rule 11.8, Interpretation and Policy .02(d)(2)), for which the Collar Midpoint will be the issue price; as may be adjusted by the Exchange in its discretion.] Specifically, the Collar Price Range will be determined as follows: where the Collar Midpoint is \$25.00 or less, the Collar Price Range shall be the range from 10% below the Collar Midpoint to 10% above the Collar Midpoint; where the Collar Midpoint is greater than \$25.00 but less than or equal to \$50.00, the Collar Price Range shall be the range from 5% below the Collar Midpoint to 5% above the Collar Midpoint; and where the Collar Midpoint is greater than \$50.00, the Collar Price Range shall be the range from 3% below the Collar Midpoint to 3% above the Collar Midpoint.

(7)-(21) No change.

(22) [Reserved.]The term “Collar Midpoint” will be the Volume Based Tie Breaker. When there is no Volume Based Tie Breaker (including no Final Last Sale Eligible Trade), the Exchange retains discretion to set the Collar Midpoint.

(23)-(24) No change.

(b)-(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) following a Level 3 Market Decline, the Exchange will conduct an IPO or Halt Auction, as described below.

(1) No change.

(2) IPO and Halt Auction Process.

(A)-(E) No change.

(F) Determination of BZX IPO and Halt Auction Price. Orders will be executed at the price that maximizes the number of shares executed in the auction.

(i) For IPO Auctions in a BZX listed corporate security, orders will be executed at the price level within the Collar Price Range that maximizes the number of shares executed in the auction. For ETP IPO Auctions, orders will be executed at the price level that maximizes the number of shares executed in the auction, and no Collar Price Range shall apply. In the event of a volume based tie at multiple price levels, the price level that results in the minimum total imbalance will be used. In the event of a volume based tie and a tie in minimum total imbalance at multiple price levels, the price level closest to the issuing price will be used for IPO Auctions. The IPO Auction price will be BZX Official IPO Opening Price unless otherwise provided under this Rule 11.23.

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