Required fields are shown with yellow backgrounds and asterisks.

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

File No. * SR 2025 - * 149
Amendment No. (req. for Amendments *) 1

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 *).

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 03/30/2026

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: 2026.03.30 09:19:40 -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 EFFS website.

Form 19b-4 Information * Add Remove View 25-149 19b-4 (IPO Auction Bands) An	The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.
Exhibit 1 - Notice of Proposed Rule Change * Add Remove View 25-149 Exhibit 1 (IPO Auction Bands).	The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)
Exhibit 1A - Notice of Proposed Rule Change, Security-Based Swap Submission, or Advanced Notice by Clearing Agencies * Add Remove View	The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)
Exhibit 2- Notices, Written Comments, Transcripts, Other Communications Add Remove View	Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G. ☐ Exhibit Sent As Paper Document
Exhibit 3 - Form, Report, or Questionnaire Add Remove View	Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change. ☐ Exhibit Sent As Paper Document
Exhibit 4 - Marked Copies Add Remove View 25-149 Exhibit 4 (IPO Auction Bands)	The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.
Exhibit 5 - Proposed Rule Text Add Remove View 25-149 Exhibit 5 (IPO Auction Bands) .	The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change
Partial Amendment Add Remove View	If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

Item 1. <u>Text of the Proposed Rule Change</u>

(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 the definition of Indicative Price under Exchange Rule 11.23(a)(10) and to amend Exchange Rule 11.23(d)(2)(B) (Extending the Quote-Only Period for Initial Public Offering ("IPO") Auctions) to: (1) delineate between BZX-listed corporate securities and exchange-traded product ("ETP") IPO Securities; and (2) expand the circumstances under which the Exchange may extend the Quote-Only Period for IPO Auctions in an ETP IPO Security.

(b) Not applicable.

(c) Not applicable.

Item 2. <u>Procedures of the Self-Regulatory Organization</u>

(a) The Exchange's President (or designee) pursuant to delegated authority approved the proposed rule change on November 21, 2025. 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-

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

[2] 17 CFR 240.19b-4.

7467, or Sarah Tadtman, (913) 815-7203, 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

This Amendment No. 1 to SR-CboeBZX-2025-149 amends and replaces in its entirety the proposal as originally submitted on December 17, 2025. The Exchange submits this Amendment No. 1 in order to clarify certain points and add additional details to the proposal.

The Exchange proposes to amend the definition of the term Indicative Price[3] under Rule 11.23(a)(10) and to amend Rule 11.23(d)(2)(B) (Extending the Quote-Only Period[4] for IPO Auctions[5]) to: (1) delineate between BZX-listed corporate securities and ETP IPO Securities[6] in proposed Rules 11.23(d)(2)(B) and (C), respectively; and (2) expand the circumstances under which the Exchange may extend the Quote-Only Period for IPO Auctions in ETP IPO Securities. The Exchange also proposes to update rule

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3 The term "Indicative Price" means the price at which the most shares from the Auction Book and the Continuous Book would match. In the event of a volume based tie at multiple price levels, the Indicative Price will be the price which results in the minimum total imbalance. In the event of a volume based tie and a tie in minimum total imbalance at multiple price levels, the Indicative Price will be the price closest to the Volume Based Tie Breaker.

4 The term "Quote-Only Period" shall mean a designated period of time prior to a Halt Auction, a Volatility Closing Auction, or an IPO Auction during which Users may submit orders to the Exchange for participation in the auction. See Exchange Rule 11.23(a)(17).

5 See Exchange Rule 11.22(l)(2)(B).

6 The term "ETP IPO Security" means a Derivative Security that is eligible to participate in an IPO Auction pursuant to Rule 11.23(d). See Exchange Rule 11.23(a)(24). See also Exchange Rule 1.5(dd) defining "Derivative Security".

numbering and lettering to accommodate these changes, and to update cross-references throughout Rule 11.23 as necessary.

Background

Exchange Rule 11.23(d) governs IPO and halt auctions on the Exchange. Under Rule 11.23(d)(1)(A), the Quote-Only Period for IPO Auctions commences at 8:00 a.m. ET[7] and terminates at the conclusion of the IPO Auction, which generally occurs shortly after 9:30 a.m. ET[8] There are no IPO Auction-specific order types. All Eligible Auction Orders associated with an IPO Auction are queued until the end of the Quote-Only Period, at which time they become eligible for execution in the IPO Auction. Orders must be received prior to the end of the Quote-Only Period to participate in the IPO Auction.

Exchange Rule 11.23(d)(2)(B) currently provides five circumstances under which the Exchange may extend the Quote-Only Period for IPO Auctions. These circumstances apply to both BZX-listed corporate securities and ETP IPO Securities:

(i) there are unmatched market orders on the Auction Book[9] associated with the auction;

(ii) the underwriter requests an extension;

(iii) the Indicative Price[10] moves the greater of 10% or fifty (50) cents in the fifteen (15) seconds prior to the auction;

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7 All times referenced herein are Eastern Time.

8 See Exchange Rule 11.23(b)(1)(A).

9 See Exchange Rule 11.23(a)(1).

10 As discussed further below, the Exchange proposes to amend the definition of Indicative Price. As proposed, the term "Indicative Price" shall mean the price at which the most shares from the Auction Book and the Continuous Book would match; provided, however, that for an IPO Auction, the Indicative Price shall mean the price at which the most shares from the Auction Book

(iv) in the event of a technical or systems issue at the Exchange that may impair the ability of Users to participate in the IPO Auction or of the Exchange to complete the IPO Auction;

(v) a Derivative Security fails to meet the Exchange's listing qualification requirements as set forth in Rule 14.11; or

(vi) there is a security that is the subject of an initial pricing on the Exchange of a security that has not been listed on a national securities exchange immediately prior to the initial pricing.

The duration of each Quote-Only Period extension depends on the triggering circumstance. Provisions (ii), (iv), (v), and (vi) are manual extensions without fixed durations. Provisions (i) and (iii) are automatic extensions: provision (i) extends the Quote-Only Period for as long as unmatched market orders remain on the Auction Book, while provision (iii) extends the Quote-Only Period for five minutes.

Proposal

First, the Exchange proposes to modify the definition of "Indicative Price" under Rule 11.23(a)(10) to provide that for an IPO Auction (whether for an ETP IPO Security or a BZX-listed corporate security), the Indicative Price shall mean the price at which the most shares from the Auction Book only would match. Currently, the definition provides generally that the Indicative Price means the price at which the most shares from the Auction Book and the Continuous Book[11] would match, with no carve-out for IPO

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only would match, as no Continuous Book exists prior to commencement of trading in an IPO Security.

11 See Exchange Rule 11.23(a)(7).

Auctions. Because no Continuous Book exists prior to the commencement of trading in an IPO Security, the proposed amendment adds an IPO-specific carve-out to reflect this reality. The Exchange believes this change adds clarity and precision to the rulebook by ensuring the definition accurately reflects how the Indicative Price is determined in the context of an IPO Auction.

The Exchange also proposes to separately delineate the circumstances under which it may extend the Quote-Only Period for IPO Auctions applicable to BZX-listed corporate securities and ETP IPO Securities under proposed Rules 11.23(d)(2)(B) and (C), respectively. The Exchange also proposes to adopt an additional extension provision applicable to ETP IPO Securities.

The Exchange proposes to modify the circumstances under which the Exchange may extend the Quote-Only Period applicable to BZX-listed corporate securities by eliminating existing Rule 11.23(d)(2)(B)(v) as the provision is not applicable to BZX-listed corporate securities. The Exchange also proposes to make a ministerial change to Rule 11.23(d)(2)(B)(iii) to remove the extraneous word "where".

The Exchange proposes to adopt Rule 11.23(d)(2)(C), which would govern extensions of the Quote-Only Period for IPO Auctions in ETP IPO Securities. The Exchange also proposes to use the term "ETP IPO Security" throughout proposed Rule 11.23(d)(2)(C) rather than "Derivative Security."[12] Because an ETP IPO Security is a subset of Derivative Securities that are eligible to participate in the IPO Auction, this change is ministerial but adds precision and clarity to the Exchange's rulebook.

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12 The term "Derivative Security" means a security that meets the definition of "new derivative securities product" in Rule 19b-4(e) under the Exchange Act. See Exchange Rule 1.5(dd).

Proposed Rule 11.23(d)(2)(C)(i) is identical to existing Rule 11.23(d)(2)(B)(i). The Exchange does not propose to include existing Rule 11.23(d)(2)(B)(ii) that allows the Quote-Only Period to be extended upon underwriter request in proposed Rule 11.23(d)(2)(C). ETP IPO Securities do not have underwriters, making this provision inapplicable.

Proposed Rules 11.23(d)(2)(C)(ii), (iii), (iv), and (v) are substantively identical to Rules 11.23(d)(2)(B)(iii), (iv), (v), and (vi), respectively, except that the proposed rules refer specifically to an ETP IPO Security rather than a Derivative Security.

The Exchange proposes to adopt Rule 11.23(d)(2)(C)(vi), which would establish a new circumstance under which the Exchange may extend the Quote-Only Period for IPO Auctions in ETP IPO Securities.[13] Specifically, the proposed rule would permit the Exchange to extend the Quote-Only Period if the ETP IPO Security does not pass the below described "price validation test."

Indicative Price and Expected Price Mechanism

Starting at 8:00 a.m. with the commencement of the Quote-Only Period, the System will determine and display the live Indicative Price of the ETP IPO Security in the IPO Auction (the "ETP IPO Auction") to the lead market maker ("LMM")[14] through

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13 The Exchange is not proposing to apply this additional extension provision to BZX-listed corporate securities because underwriters are involved in corporate IPOs and may request that the Exchange extend the Quote-Only Period under existing Rule 11.23(d)(2)(B)(ii). ETP IPO Securities, by contrast, do not have an underwriter. The proposed provision is designed to provide a protection analogous to that offered by an underwriter in a corporate security IPO; namely, ensuring that the ETP IPO Auction occurs at a price in line with the issuer's expectations.

14 Exchange Rules do not require an LMM in an ETP IPO Security.

a tool accessible via the Exchange's web portal[15] through which the LMM may approve an Indicative Price, or update a prior approval, as often as necessary prior to 9:45 a.m. ET. The most recently approved Indicative Price at the time of each application of the price validation test shall be the "Expected Price." The distinction between these terms is important: the Indicative Price is a live price that changes continuously during the Quote-Only Period as market participants enter and cancel orders, while the Expected Price is an Indicative Price that the LMM has locked in (i.e., approved) at a specific point in time prior to 9:45 a.m. ET.

If there is no LMM or the LMM does not provide an Expected Price, the ETP IPO Security shall be deemed to have failed the price validation test and the Quote-Only Period will extend as provided below.

Price Band Selection

At any time prior to 9:45 a.m. ET, the LMM for the ETP IPO Security may select price bands for the purpose of applying the price validation test to the ETP IPO Security.[16] The LMM may also update its price band selection at any time prior to 9:45 a.m. ET, including between iterations of the price validation test. The price bands are determined based on the Expected Price and are designed to limit how far an Indicative Price can move to pass the price validation test. The LMM may select an upper price band (i.e., the maximum amount above the Expected Price by which the live Indicative

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15 The Indicative Price is made available to the LMM pursuant to proposed Rule 11.23(d)(2)(C)(vi). The Exchange notes that the Indicative Price is available to subscribers of certain BZX data feeds as provided in Rule 11.22.

16 As discussed above, the LMM may approve new Indicative Prices (i.e., provide a new Expected Price) as often as necessary prior to 9:45 a.m.

Price may move) and a lower price band (i.e., the maximum amount below the Expected Price by which the live Indicative Price may move).[17] If the LMM does not select price bands, the Exchange will automatically apply default upper and lower price bands of $0.10 each.[18]

The price bands available for selection shall be in such increments and at such price points as may be established from time to time by the Exchange. The available price bands shall include $0, which would require the Indicative Price to equal the Expected Price, but shall not exceed $0.50. The Exchange reserves the right to establish larger increment steps (such as $0.05) or to make available price bands at certain price points but not others (for example, increment steps of $0.01 up to $0.10 and increment steps of $0.05 thereafter). However, the Exchange will not (in the absence of the submission of a proposed rule change) allow price bands wider than $0.50. The Exchange will notify Members and the public of changes in available price bands or increments through a notice that is widely disseminated at least one week in advance of the change. In selecting available price bands and increments, the Exchange will consider input from LMMs and other market participants and the results of past usage of price bands to adopt price bands and increments that promote efficiency in the initiation of trading and protect investors and the public interest.

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17 The upper price band and lower price band may be set at different distances from the Expected Price.

18 The Exchange will automatically apply the upper and lower price bands of $0.10 if the LMM has not selected price bands by 9:30 a.m. However, the LMM can select or change the price bands at any time prior to 9:45 a.m.

Initially, available price bands will range from $0 to $0.50 in increments of $0.01. Thus, the LMM may select price bands of $0 (i.e., no deviation from the Expected Price would be permitted), $0.01, $0.02, or any other $0.01 increment up to $0.50. The LMM may select different price bands above and below the Expected Price.

Price Validation Test Criteria

Beginning at 9:30 a.m. ET, if an Expected Price has been provided by the LMM, the ETP IPO Security will automatically be subjected to the price validation test, which will be reapplied automatically in five-second increments following each failure. An 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. For example, assume that an Indicative Price for the ETP IPO Auction is $32.00 per share, and the LMM approves that Indicative Price, thereby establishing an Expected Price of $32.00 per share. If the LMM selects an upper price band of $0.10 and a lower price band of $0.05, the Indicative Price calculated by the System for the ETP IPO Auction could not be higher than $32.10 nor lower than $31.95. If the LMM does not select price bands, the Exchange will apply the default price bands of $0.10 for each band as described above, and the Indicative Price could not be higher than $32.10 nor lower than $31.90. An ETP IPO Security passes the price validation test if the Indicative Price is within the price bands established using the Expected Price.

If an ETP IPO Security does not pass the price validation test, the Quote-Only Period will be automatically extended by the system in five-second increments, but in no circumstance will the Quote-Only Period be extended past 9:45 a.m. ET under proposed Rule 11.23(d)(2)(C)(vi). The LMM may select different price bands or approve a new

Indicative Price, after which the price validation test will be reapplied pursuant to proposed Rule 11.23(d)(2)(C)(vi). For example, an LMM might initially select upper and lower bands of $0, such that the ETP IPO Auction would not occur unless the Indicative Price exactly equaled the Expected Price. 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.[19]

The Exchange recognizes that granting the LMM authority to set price bands could be viewed as conferring a potential advantage on the LMM. The Exchange believes, however, that this advantage is not unfair. The price validation test is designed primarily to benefit the contra-side (i.e., the end client whose order will be executed at the auction price). By setting price bands, the LMM is effectively ensuring that the auction occurs at a price consistent with prevailing market conditions, which benefits all market participants. Furthermore, if the LMM sets narrow bands and no other market participant can match them, the LMM would be the one to fill any resulting order, but this outcome reflects the LMM's commitment to providing liquidity, not an artificial informational edge. Any market maker may respond to unmatched orders, and the LMM's authority to set price bands does not preclude other market makers from

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19 The Quote-Only Period may extend past 9:45 a.m. ET if there are unmatched market orders on the Auction Book associated with the auction, the Indicative Price moves the greater of 10% or fifty (50) cents in the fifteen (15) seconds prior to the auction, in the event of a technical or systems issue at the Exchange that may impair the ability of Users to participate in the ETP IPO Auction or of the Exchange to complete the ETP IPO Auction, the ETP IPO Security fails to meet the Exchange's listing qualification requirements as set forth in Rule 14.11, or there is an ETP IPO Security that is the subject of an initial pricing on the Exchange that has not been listed on a national securities exchange immediately prior to the initial pricing.

participating. The distinction between the LMM and other market makers in this context is one of commercial responsibility: while the LMM has a commercial obligation to respond to unmatched orders, it does not bear a regulatory obligation to do so. The Exchange therefore believes the LMM's role in the price validation process is appropriately calibrated to promote a fair and orderly auction without conferring an undue advantage.

The Exchange also believes that ending the price validation test at 9:45 a.m. ET with no exceptions is appropriate. Before 9:45 a.m. ET, the LMM would be expected to step in and respond to any unmatched orders in the ETP IPO Auction, and any residual volatility in the ETP IPO Security would have been mitigated through the proposed validation checks conducted during the Quote-Only Period. Accordingly, the continued application of the price validation test beyond 9:45 a.m. ET is unnecessary to achieve the investor protection goals underlying the test.[20]

In addition, the LMM may step in and begin providing markets in an ETP IPO Security on its first day of trading after the Quote-Only Period has concluded, which could further promote price stability. The Exchange may also determine at any point during the Quote-Only Period to postpone and reschedule the ETP IPO Auction.[21]

The Exchange notes that the LMM's involvement in timing the commencement of trading in an IPO Auction for an ETP IPO Security is consistent with an underwriter's

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[20] The Exchange notes that, under both existing Rule 11.23(d)(2)(B)(vi) and proposed Rule 11.23(d)(2)(C)(v), the Exchange retains authority to extend the Quote-Only Period beyond 9:45 a.m. ET in the event of an unforeseen circumstance requiring the IPO to be rescheduled.

[21] The Exchange's authority to postpone and reschedule the IPO Auction is set forth in existing Rule 11.23(d)(1)(B)(vi).

involvement in the existing IPO Auction process for BZX-listed corporate securities. Similar to an underwriter in a corporate IPO, the LMM, with market knowledge of the order book and an understanding of the security, is well positioned to provide an Expected Price and applicable price bands that facilitate the price validation check.

Accordingly, the Exchange believes it is in the best interest of the market to give LMMs input into the timing of the ETP IPO Auction to help facilitate the fair and orderly launch of trading in an ETP IPO Security. The Exchange believes that additional time for price formation in the ETP IPO Auction will benefit investors by increasing the likelihood that the ETP IPO Auction occurs at a price that generally aligns with the LMM's and ETP issuer's expectations. Furthermore, delaying an ETP IPO Auction is not unprecedented, as Nasdaq currently begins its ETP IPO auction process at 9:40 a.m. ET.[22]

Finally, to accommodate the addition of new Rule 11.23(d)(2)(C), the Exchange proposes to re-letter existing Rules 11.23(d)(2)(C) through (F) as (D) through (G), respectively, and to update all cross-references to Rule 11.23 throughout the rulebook accordingly. In connection with this re-lettering, the Exchange also proposes to amend Rule 11.23(e)(2)(B) to correct a cross-reference from existing Rule 11.23(d)(1)(C) to re-lettered Rule 11.23(d)(2)(D).[23]

(b) Statutory Basis

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22 See Securities Exchange Act No. 103085 (May 20, 2025) 90 FR 22424 (May 27, 2025) (SR-Nasdaq-2025-011) (Notice of Filing of Amendment No. 1, and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 1, To Introduce Functionality To Initiate a Trading Halt for Exchange-Traded Products on Launch Day).

23 There is currently no Rule 11.23(d)(1)(C), and the existing Rule should have referenced existing Rule 11.23(d)(2)(C).

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.[24] Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)[25] requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)[26] requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange believes that its proposal to require a price validation test for all ETPs utilizing the ETP IPO Auction process would promote more efficient price discovery and remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, protect investors because the ETP IPO Auction price would be based on market interest and the matching of buy and sell orders in an auction that would be open to all market participants. Today, an ETP IPO Security opens for trading during the ETP IPO Auction at an initial price that is based on

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24 15 U.S.C. 78f(b).

25 15 U.S.C. 78f(b)(5).

26 Id.

market interest at that time. The proposed price validation test enhances this process by providing additional safeguards for the opening price of the ETP based on additional market information, thereby strengthening investor protection and promoting the public interest. By applying this requirement uniformly to all ETP IPO Auctions, the Exchange seeks to provide consistent price integrity protections across all ETP IPO Auctions conducted through this mechanism.[27]

The Exchange believes that the proposed price validation test will benefit investors by providing additional time for price formation in the ETP IPO Auction for ETP IPO Securities and by increasing the likelihood that the ETP IPO Auction occurs at a price that generally aligns with the LMM's and ETP issuer's expectations. In particular, the Exchange believes that the change will facilitate the commencement of orderly trading in ETPs on their first day of trading by providing the LMM with flexibility throughout the initial launch process to allow the development of price stability prior to opening. The Exchange believes that the LMM's involvement in timing the commencement of trading in the ETP is consistent with the Act as this will promote the fair and orderly launch of trading in the ETP. The Exchange believes that the LMM, with its market knowledge of the book and an understanding of the ETP IPO Security, would be well positioned to provide an Expected Price and price bands. However, if the LMM does not provide price bands, the Exchange will apply default price bands. Accordingly,

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27 The Exchange is not proposing to apply this additional extension provision to BZX-listed corporate securities because underwriters are involved in corporate IPOs and may request that the Exchange extend the Quote-Only Period under existing Rule 11.23(d)(2)(B)(ii). ETP IPO Securities, by contrast, do not have an underwriter. The proposed provision is designed to provide a protection analogous to that offered by an underwriter in a corporate security IPO; namely, ensuring that the ETP IPO Auction occurs at a price in line with the issuer's expectations.

the Exchange believes it is in the best interest of the market to give LMMs the opportunity to provide input into the price validation test to help facilitate the fair and orderly launch of trading in the ETP.

The proposed language allowing the LMM to select price bands and approve the Expected Price is designed to allow flexibility to promote efficient price discovery while protecting against unexpected volatility. The Exchange believes that limiting price bands to a maximum of $0.50 is reasonable and appropriate to balance the need for price stability with the need to allow the market to discover the appropriate opening price. The Exchange will notify Members and the public of any changes to available price bands or increments at least one week in advance of the change, ensuring transparency and allowing market participants to adjust their strategies accordingly.

Furthermore, the Exchange believes that requiring the ETP IPO Auction to occur by 9:45 a.m. ET at the latest, under proposed Rule 11.23(d)(2)(C)(vi), is reasonable and appropriate because by that time, the LMM would be expected to step in and respond to any unmatched orders, and any excess volatility in the ETP would be mitigated through the proposed validation checks. As described above, the ETP IPO Auction may be delayed past 9:45 a.m. ET if the criteria in proposed Rules 11.23(d)(2)(C)(i) through (v) are met. This timing is also consistent with market practice, as Nasdaq currently begins its ETP IPO auction process at 9:40 a.m. ET for ETPs.

The Exchange believes that requiring this functionality for all ETPs participating in the ETP IPO Auction process promotes just and equitable principles of trade and does not unfairly discriminate between issuers. The price validation test is designed to enhance the integrity of the price discovery process by increasing the likelihood that the ETP IPO

Auction occurs at a price that generally aligns with the LMM's expectations. This requirement applies uniformly to all ETP issuers utilizing the ETP IPO Auction, thereby promoting consistency and investor protection across all ETP IPO Auctions conducted through this mechanism.

Finally, the Exchange believes that the proposed amendments to delineate between BZX-listed corporate securities and ETP IPO Securities promote clarity and transparency in the Exchange's rules. The proposed changes recognize the unique characteristics of ETPs, including the absence of an underwriter, and tailor the Quote-Only Period extension provisions accordingly. This promotes just and equitable principles of trade by ensuring that the rules applicable to each security type are appropriate for that security's characteristics. Additionally, the proposed re-lettering of existing Rule 11.23(d)(2)(C) through (F) to (D) through (G), the corresponding updates to cross-references throughout Rule 11.23, and the correction of a cross-reference error in Rule 11.23(e)(2)(B) enhance the organizational structure and usability of the rulebook, further promoting clarity and reducing the potential for confusion.

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. The Exchange does not believe the proposed rule change will impose any burden on intramarket competition. The price validation test applies uniformly to all ETP issuers and their LMMs utilizing the ETP IPO Auction process, providing consistent treatment and eliminating any potential competitive advantage or disadvantage based on the price discovery mechanism used. The price validation test is designed to enhance the integrity of the ETP IPO Auction process by increasing the likelihood that the auction occurs at a price that generally aligns with the LMM's and ETP issuer's expectations, thereby benefiting all market participants equally. The proposed rule change does not advantage or disadvantage any particular category of market participant. All market participants may participate in the ETP IPO Auction on equal terms, with the same price validation protections applied consistently across all ETP IPO Auctions, and will continue to have the ability to enter orders during the Quote-Only Period with the added benefit of enhanced price integrity protections.

The Exchange further believes that the proposed price validation test appropriately leverages the LMM's market knowledge and role in the opening process. The LMM's involvement in selecting price bands and approving the Indicative Price (i.e., providing the Expected Price) is designed to promote fair and orderly trading in the ETP IPO Security on its first day of trading, which benefits all market participants by reducing unexpected volatility and enhancing price discovery.

The Exchange does not believe the proposed rule change will impose any burden on intermarket competition. The proposed rule change is designed to enhance the competitiveness of the Exchange's ETP listing and trading services by providing a price discovery tool on launch day. This functionality is similar to processes offered by another exchange and is designed to attract ETP listings to the Exchange by offering issuers enhanced safeguards during the critical first moments of trading. To the extent the proposed functionality makes the Exchange a more attractive venue for ETP listings or trading, this reflects legitimate competition among exchanges to offer superior services and functionality. Market participants on other exchanges are welcome to become

Members and trade on BZX if they determine that the proposed rule change has made BZX more attractive. Similarly, other exchanges remain free to propose similar or alternative functionality for their own ETP listings.

The Exchange notes that Nasdaq currently offers similar functionality for ETP IPO Auctions, beginning its ETP IPO auction process at 9:40 a.m. ET. The Exchange's proposal and Nasdaq's functionality are generally similar in that both allow the LMM (on BZX) or Designated Liquidity Provider ("DLP" on Nasdaq) to set price bands around the opening auction price, and both allow for extension of the Quote-Only Period prior to an ETP IPO Auction to permit additional price formation. Further, both functionalities provide that the LMM or DLP, as applicable, may select upper and lower price bands for purposes of the price validation test, with a maximum price band of $0.50. Further, the LMM or DLP must approve an Indicative Price before the validation test is applied, and if the security does not pass the price validation test, the LMM or DLP may — but is not required to — select different price bands before the process recommences. Both exchanges will notify members and the public of any changes to available price bands or increments at least one week in advance. Both functionalities also require that the ETP IPO Auction occur by 9:45 a.m. ET at the latest under the price validation test. Finally, both functionalities delineate between corporate IPO securities and ETP IPO Securities, recognizing the unique characteristics of ETPs, including the absence of an underwriter.

The Exchange's proposal differs from the Nasdaq functionality in several additional respects. For example, the Exchange specifies default price bands of $0.10 if the LMM does not select price bands, whereas Nasdaq's functionality does not specify default bands and leaves the matter to DLP discretion. The Exchange also integrates the

ETP IPO Auction provisions into its existing Rule 11.23 governing auctions, using its existing Quote-Only Period terminology and structure, whereas Nasdaq created a new halt category under Rule 4120(a)(15) and introduced new terminology including a "Display Only Period" followed by a "Pre-Launch Period." The Exchange believes these differences reflect variations in existing rule structures, terminology, and organizational approaches between the exchanges.

Accordingly, the Exchange believes the proposed rule change will promote competition among exchanges while protecting investors through enhanced price discovery mechanisms.

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

The Exchange does not consent to an extension of the time period for Securities and Exchange Commission (the "Commission") action on the proposed rule change specified in Section 19(b)(2) of the Act.[28]

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)

Not applicable.

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28 15 U.S.C. 78s(b)(2).

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

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

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

Not applicable.

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

Not applicable.

Item 11. Exhibits

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

Exhibits 2-4. Not applicable.

Exhibit 5. Proposed rule text.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-   ; File No. SR-CboeBZX-2025-149]

[Insert date]

Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Notice of Filing of a Proposed Rule Change to Amend the Definition of Indicative Price Under Exchange Rule 11.23(a)(10) and to Amend Exchange Rule 11.23(d)(2)(B) (Extending the Quote-Only Period for Initial Public Offering ("IPO") Auctions)

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),[1] and Rule 19b-4 thereunder,[2] notice is hereby given that on [insert date], Cboe 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 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 the definition of Indicative Price under Exchange Rule 11.23(a)(10) and to amend Exchange Rule 11.23(d)(2)(B) (Extending the Quote-Only Period for Initial Public Offering ("IPO") Auctions) to: (1) delineate between BZX-listed corporate securities and exchange-traded product ("ETP") IPO Securities; and (2) expand the circumstances under which the Exchange may extend the Quote-Only Period for IPO

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

2 17 CFR 240.19b-4.

Auctions in an ETP IPO Security. 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

This Amendment No. 1 to SR-CboeBZX-2025-149 amends and replaces in its entirety the proposal as originally submitted on December 17, 2025. The Exchange submits this Amendment No. 1 in order to clarify certain points and add additional details to the proposal.

The Exchange proposes to amend the definition of the term Indicative Price[3] under Rule 11.23(a)(10) and to amend Rule 11.23(d)(2)(B) (Extending the Quote-Only

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[3] The term "Indicative Price" means the price at which the most shares from the Auction Book and the Continuous Book would match. In the event of a volume based tie at multiple price levels, the Indicative Price will be the price which results in the minimum total imbalance. In the event of a volume based tie and a tie in minimum total imbalance at multiple price levels, the Indicative

Period[4] for IPO Auctions[5]) to: (1) delineate between BZX-listed corporate securities and ETP IPO Securities[6] in proposed Rules 11.23(d)(2)(B) and (C), respectively; and (2) expand the circumstances under which the Exchange may extend the Quote-Only Period for IPO Auctions in ETP IPO Securities. The Exchange also proposes to update rule numbering and lettering to accommodate these changes, and to update cross-references throughout Rule 11.23 as necessary.

Background

Exchange Rule 11.23(d) governs IPO and halt auctions on the Exchange. Under Rule 11.23(d)(1)(A), the Quote-Only Period for IPO Auctions commences at 8:00 a.m. ET[7] and terminates at the conclusion of the IPO Auction, which generally occurs shortly after 9:30 a.m. ET[8] There are no IPO Auction-specific order types. All Eligible Auction Orders associated with an IPO Auction are queued until the end of the Quote-Only Period, at which time they become eligible for execution in the IPO Auction. Orders must be received prior to the end of the Quote-Only Period to participate in the IPO Auction.

Exchange Rule 11.23(d)(2)(B) currently provides five circumstances under which the Exchange may extend the Quote-Only Period for IPO Auctions. These circumstances apply to both BZX-listed corporate securities and ETP IPO Securities:

Price will be the price closest to the Volume Based Tie Breaker.

4 The term "Quote-Only Period" shall mean a designated period of time prior to a Halt Auction, a Volatility Closing Auction, or an IPO Auction during which Users may submit orders to the Exchange for participation in the auction. See Exchange Rule 11.23(a)(17).

5 See Exchange Rule 11.22(l)(2)(B).

6 The term "ETP IPO Security" means a Derivative Security that is eligible to participate in an IPO Auction pursuant to Rule 11.23(d). See Exchange Rule 11.23(a)(24). See also Exchange Rule 1.5(dd) defining "Derivative Security".

7 All times referenced herein are Eastern Time.

8 See Exchange Rule 11.23(b)(1)(A).

(i) there are unmatched market orders on the Auction Book[9] associated with the auction;

(ii) the underwriter requests an extension;

(iii) the Indicative Price[10] moves the greater of 10% or fifty (50) cents in the fifteen (15) seconds prior to the auction;

(iv) in the event of a technical or systems issue at the Exchange that may impair the ability of Users to participate in the IPO Auction or of the Exchange to complete the IPO Auction;

(v) a Derivative Security fails to meet the Exchange's listing qualification requirements as set forth in Rule 14.11; or

(vi) there is a security that is the subject of an initial pricing on the Exchange of a security that has not been listed on a national securities exchange immediately prior to the initial pricing.

The duration of each Quote-Only Period extension depends on the triggering circumstance. Provisions (ii), (iv), (v), and (vi) are manual extensions without fixed durations. Provisions (i) and (iii) are automatic extensions: provision (i) extends the Quote-Only Period for as long as unmatched market orders remain on the Auction Book, while provision (iii) extends the Quote-Only Period for five minutes.

Proposal

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9 See Exchange Rule 11.23(a)(1).

10 As discussed further below, the Exchange proposes to amend the definition of Indicative Price. As proposed, the term "Indicative Price" shall mean the price at which the most shares from the Auction Book and the Continuous Book would match; provided, however, that for an IPO Auction, the Indicative Price shall mean the price at which the most shares from the Auction Book only would match, as no Continuous Book exists prior to commencement of trading in an IPO Security.

First, the Exchange proposes to modify the definition of "Indicative Price" under Rule 11.23(a)(10) to provide that for an IPO Auction (whether for an ETP IPO Security or a BZX-listed corporate security), the Indicative Price shall mean the price at which the most shares from the Auction Book only would match. Currently, the definition provides generally that the Indicative Price means the price at which the most shares from the Auction Book and the Continuous Book[11] would match, with no carve-out for IPO Auctions. Because no Continuous Book exists prior to the commencement of trading in an IPO Security, the proposed amendment adds an IPO-specific carve-out to reflect this reality. The Exchange believes this change adds clarity and precision to the rulebook by ensuring the definition accurately reflects how the Indicative Price is determined in the context of an IPO Auction.

The Exchange also proposes to separately delineate the circumstances under which it may extend the Quote-Only Period for IPO Auctions applicable to BZX-listed corporate securities and ETP IPO Securities under proposed Rules 11.23(d)(2)(B) and (C), respectively. The Exchange also proposes to adopt an additional extension provision applicable to ETP IPO Securities.

The Exchange proposes to modify the circumstances under which the Exchange may extend the Quote-Only Period applicable to BZX-listed corporate securities by eliminating existing Rule 11.23(d)(2)(B)(v) as the provision is not applicable to BZX-listed corporate securities. The Exchange also proposes to make a ministerial change to Rule 11.23(d)(2)(B)(iii) to remove the extraneous word "where".

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[11] See Exchange Rule 11.23(a)(7).

The Exchange proposes to adopt Rule 11.23(d)(2)(C), which would govern extensions of the Quote-Only Period for IPO Auctions in ETP IPO Securities. The Exchange also proposes to use the term "ETP IPO Security" throughout proposed Rule 11.23(d)(2)(C) rather than "Derivative Security."[12] Because an ETP IPO Security is a subset of Derivative Securities that are eligible to participate in the IPO Auction, this change is ministerial but adds precision and clarity to the Exchange's rulebook.

Proposed Rule 11.23(d)(2)(C)(i) is identical to existing Rule 11.23(d)(2)(B)(i). The Exchange does not propose to include existing Rule 11.23(d)(2)(B)(ii) that allows the Quote-Only Period to be extended upon underwriter request in proposed Rule 11.23(d)(2)(C). ETP IPO Securities do not have underwriters, making this provision inapplicable.

Proposed Rules 11.23(d)(2)(C)(ii), (iii), (iv), and (v) are substantively identical to Rules 11.23(d)(2)(B)(iii), (iv), (v), and (vi), respectively, except that the proposed rules refer specifically to an ETP IPO Security rather than a Derivative Security.

The Exchange proposes to adopt Rule 11.23(d)(2)(C)(vi), which would establish a new circumstance under which the Exchange may extend the Quote-Only Period for IPO Auctions in ETP IPO Securities.[13] Specifically, the proposed rule would permit the Exchange to extend the Quote-Only Period if the ETP IPO Security does not pass the below described "price validation test."

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12 The term "Derivative Security" means a security that meets the definition of "new derivative securities product" in Rule 19b-4(e) under the Exchange Act. See Exchange Rule 1.5(dd).

13 The Exchange is not proposing to apply this additional extension provision to BZX-listed corporate securities because underwriters are involved in corporate IPOs and may request that the Exchange extend the Quote-Only Period under existing Rule 11.23(d)(2)(B)(ii). ETP IPO Securities, by contrast, do not have an underwriter. The proposed provision is designed to provide a protection analogous to that offered by an underwriter in a corporate security IPO; namely, ensuring that the ETP IPO Auction occurs at a price in line with the issuer's expectations.

Indicative Price and Expected Price Mechanism

Starting at 8:00 a.m. with the commencement of the Quote-Only Period, the System will determine and display the live Indicative Price of the ETP IPO Security in the IPO Auction (the "ETP IPO Auction") to the lead market maker ("LMM")[14] through a tool accessible via the Exchange's web portal[15] through which the LMM may approve an Indicative Price, or update a prior approval, as often as necessary prior to 9:45 a.m. ET. The most recently approved Indicative Price at the time of each application of the price validation test shall be the "Expected Price." The distinction between these terms is important: the Indicative Price is a live price that changes continuously during the Quote-Only Period as market participants enter and cancel orders, while the Expected Price is an Indicative Price that the LMM has locked in (i.e., approved) at a specific point in time prior to 9:45 a.m. ET.

If there is no LMM or the LMM does not provide an Expected Price, the ETP IPO Security shall be deemed to have failed the price validation test and the Quote-Only Period will extend as provided below.

Price Band Selection

At any time prior to 9:45 a.m. ET, the LMM for the ETP IPO Security may select price bands for the purpose of applying the price validation test to the ETP IPO Security.[16] The LMM may also update its price band selection at any time prior to 9:45

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14 Exchange Rules do not require an LMM in an ETP IPO Security.

15 The Indicative Price is made available to the LMM pursuant to proposed Rule 11.23(d)(2)(C)(vi). The Exchange notes that the Indicative Price is available to subscribers of certain BZX data feeds as provided in Rule 11.22.

16 As discussed above, the LMM may approve new Indicative Prices (i.e., provide a new Expected Price) as often as necessary prior to 9:45 a.m.

a.m. ET, including between iterations of the price validation test. The price bands are determined based on the Expected Price and are designed to limit how far an Indicative Price can move to pass the price validation test. The LMM may select an upper price band (i.e., the maximum amount above the Expected Price by which the live Indicative Price may move) and a lower price band (i.e., the maximum amount below the Expected Price by which the live Indicative Price may move).[17] If the LMM does not select price bands, the Exchange will automatically apply default upper and lower price bands of $0.10 each.[18]

The price bands available for selection shall be in such increments and at such price points as may be established from time to time by the Exchange. The available price bands shall include $0, which would require the Indicative Price to equal the Expected Price, but shall not exceed $0.50. The Exchange reserves the right to establish larger increment steps (such as $0.05) or to make available price bands at certain price points but not others (for example, increment steps of $0.01 up to $0.10 and increment steps of $0.05 thereafter). However, the Exchange will not (in the absence of the submission of a proposed rule change) allow price bands wider than $0.50. The Exchange will notify Members and the public of changes in available price bands or increments through a notice that is widely disseminated at least one week in advance of the change. In selecting available price bands and increments, the Exchange will consider input from LMMs and other market participants and the results of past usage of price bands to adopt price bands

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[17] The upper price band and lower price band may be set at different distances from the Expected Price.

[18] The Exchange will automatically apply the upper and lower price bands of $0.10 if the LMM has not selected price bands by 9:30 a.m. However, the LMM can select or change the price bands at any time prior to 9:45 a.m.

and increments that promote efficiency in the initiation of trading and protect investors and the public interest.

Initially, available price bands will range from $0 to $0.50 in increments of $0.01. Thus, the LMM may select price bands of $0 (i.e., no deviation from the Expected Price would be permitted), $0.01, $0.02, or any other $0.01 increment up to $0.50. The LMM may select different price bands above and below the Expected Price.

Price Validation Test Criteria

Beginning at 9:30 a.m. ET, if an Expected Price has been provided by the LMM, the ETP IPO Security will automatically be subjected to the price validation test, which will be reapplied automatically in five-second increments following each failure. An 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. For example, assume that an Indicative Price for the ETP IPO Auction is $32.00 per share, and the LMM approves that Indicative Price, thereby establishing an Expected Price of $32.00 per share. If the LMM selects an upper price band of $0.10 and a lower price band of $0.05, the Indicative Price calculated by the System for the ETP IPO Auction could not be higher than $32.10 nor lower than $31.95. If the LMM does not select price bands, the Exchange will apply the default price bands of $0.10 for each band as described above, and the Indicative Price could not be higher than $32.10 nor lower than $31.90. An ETP IPO Security passes the price validation test if the Indicative Price is within the price bands established using the Expected Price.

If an ETP IPO Security does not pass the price validation test, the Quote-Only Period will be automatically extended by the system in five-second increments, but in no circumstance will the Quote-Only Period be extended past 9:45 a.m. ET under proposed Rule 11.23(d)(2)(C)(vi). The LMM may select different price bands or approve a new Indicative Price, after which the price validation test will be reapplied pursuant to proposed Rule 11.23(d)(2)(C)(vi). For example, an LMM might initially select upper and lower bands of $0, such that the ETP IPO Auction would not occur unless the Indicative Price exactly equaled the Expected Price. 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.[19]

The Exchange recognizes that granting the LMM authority to set price bands could be viewed as conferring a potential advantage on the LMM. The Exchange believes, however, that this advantage is not unfair. The price validation test is designed primarily to benefit the contra-side (i.e., the end client whose order will be executed at the auction price). By setting price bands, the LMM is effectively ensuring that the auction occurs at a price consistent with prevailing market conditions, which benefits all market participants. Furthermore, if the LMM sets narrow bands and no other market participant can match them, the LMM would be the one to fill any resulting order, but this outcome reflects the LMM's commitment to providing liquidity, not an artificial informational edge. Any market maker may respond to unmatched orders, and the

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[19] The Quote-Only Period may extend past 9:45 a.m. ET if there are unmatched market orders on the Auction Book associated with the auction, the Indicative Price moves the greater of 10% or fifty (50) cents in the fifteen (15) seconds prior to the auction, in the event of a technical or systems issue at the Exchange that may impair the ability of Users to participate in the ETP IPO Auction or of the Exchange to complete the ETP IPO Auction, the ETP IPO Security fails to meet the Exchange's listing qualification requirements as set forth in Rule 14.11, or there is an ETP IPO Security that is the subject of an initial pricing on the Exchange that has not been listed on a national securities exchange immediately prior to the initial pricing.

LMM's authority to set price bands does not preclude other market makers from participating. The distinction between the LMM and other market makers in this context is one of commercial responsibility: while the LMM has a commercial obligation to respond to unmatched orders, it does not bear a regulatory obligation to do so. The Exchange therefore believes the LMM's role in the price validation process is appropriately calibrated to promote a fair and orderly auction without conferring an undue advantage.

The Exchange also believes that ending the price validation test at 9:45 a.m. ET with no exceptions is appropriate. Before 9:45 a.m. ET, the LMM would be expected to step in and respond to any unmatched orders in the ETP IPO Auction, and any residual volatility in the ETP IPO Security would have been mitigated through the proposed validation checks conducted during the Quote-Only Period. Accordingly, the continued application of the price validation test beyond 9:45 a.m. ET is unnecessary to achieve the investor protection goals underlying the test.[20]

In addition, the LMM may step in and begin providing markets in an ETP IPO Security on its first day of trading after the Quote-Only Period has concluded, which could further promote price stability. The Exchange may also determine at any point during the Quote-Only Period to postpone and reschedule the ETP IPO Auction.[21]

The Exchange notes that the LMM's involvement in timing the commencement of trading in an IPO Auction for an ETP IPO Security is consistent with an underwriter's

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20 The Exchange notes that, under both existing Rule 11.23(d)(2)(B)(vi) and proposed Rule 11.23(d)(2)(C)(v), the Exchange retains authority to extend the Quote-Only Period beyond 9:45 a.m. ET in the event of an unforeseen circumstance requiring the IPO to be rescheduled.

21 The Exchange's authority to postpone and reschedule the IPO Auction is set forth in existing Rule 11.23(d)(1)(B)(vi).

involvement in the existing IPO Auction process for BZX-listed corporate securities. Similar to an underwriter in a corporate IPO, the LMM, with market knowledge of the order book and an understanding of the security, is well positioned to provide an Expected Price and applicable price bands that facilitate the price validation check.

Accordingly, the Exchange believes it is in the best interest of the market to give LMMs input into the timing of the ETP IPO Auction to help facilitate the fair and orderly launch of trading in an ETP IPO Security. The Exchange believes that additional time for price formation in the ETP IPO Auction will benefit investors by increasing the likelihood that the ETP IPO Auction occurs at a price that generally aligns with the LMM's and ETP issuer's expectations. Furthermore, delaying an ETP IPO Auction is not unprecedented, as Nasdaq currently begins its ETP IPO auction process at 9:40 a.m. ET.[22]

Finally, to accommodate the addition of new Rule 11.23(d)(2)(C), the Exchange proposes to re-letter existing Rules 11.23(d)(2)(C) through (F) as (D) through (G), respectively, and to update all cross-references to Rule 11.23 throughout the rulebook accordingly. In connection with this re-lettering, the Exchange also proposes to amend Rule 11.23(e)(2)(B) to correct a cross-reference from existing Rule 11.23(d)(1)(C) to re-lettered Rule 11.23(d)(2)(D).[23]

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22 See Securities Exchange Act No. 103085 (May 20, 2025) 90 FR 22424 (May 27, 2025) (SR-Nasdaq-2025-011) (Notice of Filing of Amendment No. 1, and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 1, To Introduce Functionality To Initiate a Trading Halt for Exchange-Traded Products on Launch Day).

23 There is currently no Rule 11.23(d)(1)(C), and the existing Rule should have referenced existing Rule 11.23(d)(2)(C).

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.[24] Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)[25] requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)[26] requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange believes that its proposal to require a price validation test for all ETPs utilizing the ETP IPO Auction process would promote more efficient price discovery and remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, protect investors because the ETP IPO Auction price would be based on market interest and the matching of buy and sell orders in an auction that would be open to all market participants. Today, an ETP IPO Security opens for trading during the ETP IPO Auction at an initial price that is based on

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[24] 15 U.S.C. 78f(b).

[25] 15 U.S.C. 78f(b)(5).

[26] Id.

market interest at that time. The proposed price validation test enhances this process by providing additional safeguards for the opening price of the ETP based on additional market information, thereby strengthening investor protection and promoting the public interest. By applying this requirement uniformly to all ETP IPO Auctions, the Exchange seeks to provide consistent price integrity protections across all ETP IPO Auctions conducted through this mechanism.[27]

The Exchange believes that the proposed price validation test will benefit investors by providing additional time for price formation in the ETP IPO Auction for ETP IPO Securities and by increasing the likelihood that the ETP IPO Auction occurs at a price that generally aligns with the LMM's and ETP issuer's expectations. In particular, the Exchange believes that the change will facilitate the commencement of orderly trading in ETPs on their first day of trading by providing the LMM with flexibility throughout the initial launch process to allow the development of price stability prior to opening. The Exchange believes that the LMM's involvement in timing the commencement of trading in the ETP is consistent with the Act as this will promote the fair and orderly launch of trading in the ETP. The Exchange believes that the LMM, with its market knowledge of the book and an understanding of the ETP IPO Security, would be well positioned to provide an Expected Price and price bands. However, if the LMM does not provide price bands, the Exchange will apply default price bands. Accordingly, the Exchange believes it is in the best interest of the market to give LMMs the

[27] The Exchange is not proposing to apply this additional extension provision to BZX-listed corporate securities because underwriters are involved in corporate IPOs and may request that the Exchange extend the Quote-Only Period under existing Rule 11.23(d)(2)(B)(ii). ETP IPO Securities, by contrast, do not have an underwriter. The proposed provision is designed to provide a protection analogous to that offered by an underwriter in a corporate security IPO; namely, ensuring that the ETP IPO Auction occurs at a price in line with the issuer's expectations.

opportunity to provide input into the price validation test to help facilitate the fair and orderly launch of trading in the ETP.

The proposed language allowing the LMM to select price bands and approve the Expected Price is designed to allow flexibility to promote efficient price discovery while protecting against unexpected volatility. The Exchange believes that limiting price bands to a maximum of $0.50 is reasonable and appropriate to balance the need for price stability with the need to allow the market to discover the appropriate opening price. The Exchange will notify Members and the public of any changes to available price bands or increments at least one week in advance of the change, ensuring transparency and allowing market participants to adjust their strategies accordingly.

Furthermore, the Exchange believes that requiring the ETP IPO Auction to occur by 9:45 a.m. ET at the latest, under proposed Rule 11.23(d)(2)(C)(vi), is reasonable and appropriate because by that time, the LMM would be expected to step in and respond to any unmatched orders, and any excess volatility in the ETP would be mitigated through the proposed validation checks. As described above, the ETP IPO Auction may be delayed past 9:45 a.m. ET if the criteria in proposed Rules 11.23(d)(2)(C)(i) through (v) are met. This timing is also consistent with market practice, as Nasdaq currently begins its ETP IPO auction process at 9:40 a.m. ET for ETPs.

The Exchange believes that requiring this functionality for all ETPs participating in the ETP IPO Auction process promotes just and equitable principles of trade and does not unfairly discriminate between issuers. The price validation test is designed to enhance the integrity of the price discovery process by increasing the likelihood that the ETP IPO Auction occurs at a price that generally aligns with the LMM's expectations. This requirement applies uniformly to all ETP issuers utilizing the ETP IPO Auction, thereby promoting consistency and investor protection across all ETP IPO Auctions conducted through this mechanism.

Finally, the Exchange believes that the proposed amendments to delineate between BZX-listed corporate securities and ETP IPO Securities promote clarity and transparency in the Exchange's rules. The proposed changes recognize the unique characteristics of ETPs, including the absence of an underwriter, and tailor the Quote-Only Period extension provisions accordingly. This promotes just and equitable principles of trade by ensuring that the rules applicable to each security type are appropriate for that security's characteristics. Additionally, the proposed re-lettering of existing Rule 11.23(d)(2)(C) through (F) to (D) through (G), the corresponding updates to cross-references throughout Rule 11.23, and the correction of a cross-reference error in Rule 11.23(e)(2)(B) enhance the organizational structure and usability of the rulebook, further promoting clarity and reducing the potential for confusion.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe the proposed rule change will impose any burden on intramarket competition. The price validation test applies uniformly to all ETP issuers and their LMMs utilizing the ETP IPO Auction process, providing consistent treatment and eliminating any potential competitive advantage or disadvantage based on the price discovery mechanism used. The price validation test is designed to enhance the integrity of the ETP IPO Auction process by increasing the likelihood that the auction occurs at a price that generally aligns with the LMM's and ETP issuer's expectations, thereby benefiting all market participants equally. The proposed rule change does not advantage or disadvantage any particular category of market participant. All market participants may participate in the ETP IPO Auction on equal terms, with the same price validation protections applied consistently across all ETP IPO Auctions, and will continue to have the ability to enter orders during the Quote-Only Period with the added benefit of enhanced price integrity protections.

The Exchange further believes that the proposed price validation test appropriately leverages the LMM's market knowledge and role in the opening process. The LMM's involvement in selecting price bands and approving the Indicative Price (i.e., providing the Expected Price) is designed to promote fair and orderly trading in the ETP IPO Security on its first day of trading, which benefits all market participants by reducing unexpected volatility and enhancing price discovery.

The Exchange does not believe the proposed rule change will impose any burden on intermarket competition. The proposed rule change is designed to enhance the competitiveness of the Exchange's ETP listing and trading services by providing a price discovery tool on launch day. This functionality is similar to processes offered by another exchange and is designed to attract ETP listings to the Exchange by offering issuers enhanced safeguards during the critical first moments of trading. To the extent the proposed functionality makes the Exchange a more attractive venue for ETP listings or trading, this reflects legitimate competition among exchanges to offer superior services and functionality. Market participants on other exchanges are welcome to become Members and trade on BZX if they determine that the proposed rule change has made

BZX more attractive. Similarly, other exchanges remain free to propose similar or alternative functionality for their own ETP listings.

The Exchange notes that Nasdaq currently offers similar functionality for ETP IPO Auctions, beginning its ETP IPO auction process at 9:40 a.m. ET. The Exchange's proposal and Nasdaq's functionality are generally similar in that both allow the LMM (on BZX) or Designated Liquidity Provider ("DLP" on Nasdaq) to set price bands around the opening auction price, and both allow for extension of the Quote-Only Period prior to an ETP IPO Auction to permit additional price formation. Further, both functionalities provide that the LMM or DLP, as applicable, may select upper and lower price bands for purposes of the price validation test, with a maximum price band of $0.50. Further, the LMM or DLP must approve an Indicative Price before the validation test is applied, and if the security does not pass the price validation test, the LMM or DLP may — but is not required to — select different price bands before the process recommences. Both exchanges will notify members and the public of any changes to available price bands or increments at least one week in advance. Both functionalities also require that the ETP IPO Auction occur by 9:45 a.m. ET at the latest under the price validation test. Finally, both functionalities delineate between corporate IPO securities and ETP IPO Securities, recognizing the unique characteristics of ETPs, including the absence of an underwriter.

The Exchange's proposal differs from the Nasdaq functionality in several additional respects. For example, the Exchange specifies default price bands of $0.10 if the LMM does not select price bands, whereas Nasdaq's functionality does not specify default bands and leaves the matter to DLP discretion. The Exchange also integrates the ETP IPO Auction provisions into its existing Rule 11.23 governing auctions, using its existing Quote-Only Period terminology and structure, whereas Nasdaq created a new halt category under Rule 4120(a)(15) and introduced new terminology including a "Display Only Period" followed by a "Pre-Launch Period." The Exchange believes these differences reflect variations in existing rule structures, terminology, and organizational approaches between the exchanges.

Accordingly, the Exchange believes the proposed rule change will promote competition among exchanges while protecting investors through enhanced price discovery mechanisms.

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

Within 45 days of the date of publication of this notice in the Federal Register or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Exchange consents, the Commission will:

A. by order approve or disapprove such proposed rule change, or

B. institute proceedings to determine whether the proposed rule change should be 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-2025-149 on the subject line.

Paper Comments:

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.

All submissions should refer to file number SR-CboeBZX-2025-149. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (https://www.sec.gov/rules/sro.shtml). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-CboeBZX-2025-149 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.[28]

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[28] 17 CFR 200.30-3(a)(12).

Sherry R. Haywood,

Assistant Secretary.

EXHIBIT 4

Exhibit 4 shows the changes proposed in this Amendment No. 1 with the proposed changes in the original filing shown as if adopted. Proposed additions in this Amendment No. 1 appear underlined; proposed deletions are struck through.

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Rules of Cboe BZX Exchange, Inc.

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Rule 11.23. Auctions

(a) Definitions

(1)-(9) No change

(10) The term "Indicative Price" shall mean the price at which the most shares from the Auction Book and the Continuous Book would match<u>; provided, however, that for an IPO Auction, the Indicative Price shall mean the price at which the most shares from the Auction Book only would match, as no Continuous Book exists prior to commencement of trading in an IPO Security</u>. In the event of a volume based tie at multiple price levels, the Indicative Price will be the price which results in the minimum total imbalance. In the event of a volume based tie and a tie in minimum total imbalance at multiple price levels, the Indicative Price will be the price closest to the Volume Based Tie Breaker.

(11)-(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) No change.

(B) Extending the Quote-Only Period for IPO Auctions in a BZX listed corporate security. The Quote-Only Period for IPO Auctions in BZX listed corporate securities may be extended where:

(i) there are unmatched market orders on the Auction Book associated with the auction;

(ii) the underwriter requests an extension;

(iii) the Indicative Price moves the greater of 10% or fifty (50) cents in the fifteen (15) seconds prior to the auction;

(iv) in the event of a technical or systems issue at the Exchange that may impair the ability of Users to participate in the IPO Auction or of the Exchange to complete the IPO Auction; or

(v~~i~~) there is a BZX listed corporate security that is the subject of an initial pricing on the Exchange that has not been listed on a national securities exchange immediately prior to the initial pricing.

(C) Extending the Quote-Only Period for IPO Auctions in an ETP IPO Security. The Quote-Only Period for ETP IPO Auctions in BZX listed ETP IPO Securities may be extended where:

(i) there are unmatched market orders on the Auction Book associated with the auction;

(ii) the Indicative Price moves the greater of 10% or fifty (50) cents in the fifteen (15) seconds prior to the auction;

(iii) in the event of a technical or systems issue at the Exchange that may impair the ability of Users to participate in the IPO Auction or of the Exchange to complete the IPO Auction;

(iv) an ETP IPO Security fails to meet the Exchange's listing qualification requirements as set forth in Rule 14.11;

(v) there is an ETP IPO Security that is the subject of an initial pricing on the Exchange that has not been listed on a national securities exchange immediately prior to the initial pricing; or

(vi) the ~~issuer of the~~ ETP IPO Security does not ~~opt out of~~ pass the "price validation test" ~~as~~ set forth below ~~and the ETP IPO Security does not pass the price validation test~~.

~~(a)~~ The System will determine the Indicative Price of the ETP IPO Auction and display the live Indicative Price to the lead market maker ("LMM") ~~LMM~~ during the Quote-Only Period. The LMM ~~lead market maker ("LMM")~~ may approve ~~or re-approve~~ an Indicative Price, or update a prior approval, as often as necessary prior to 9:45 a.m. ET. The ~~last~~ most recently approved Indicative Price ~~is~~ at the time of each application of the price validation test shall be the "Expected Price". If there is no LMM or the LMM does not provide an Expected Price, the ETP IPO Security shall be deemed to have failed the price validation test and the Quote-Only Period will extend as provided below.~~; and~~

~~(b)~~ Prior to 9:45 a.m. ET, the LMM ~~in~~ for the ETP IPO Security may select price bands for purposes of applying a price validation test to the ETP IPO Security. The LMM may also update its price band selection at any time prior to 9:45 a.m. ET, including between iterations of the price validation test. The price bands are determined based on the Expected Price and are designed to limit how far an Indicative Price can move to pass the price validation test. The LMM may select an upper price band (i.e., ~~an~~ the maximum amount above the Expected Price by which the ~~actual price may not exceed the~~ live Indicative Price may move) and a lower price band (i.e., ~~an~~ the maximum amount below the Expected Price by which the ~~actual price may not be lower than the~~ Indicative Price may move). If the LMM does not select price bands, the Exchange will apply an upper and lower price band of $0.10 each.

The price bands available for selection shall be in such increments, and at such price points, as may be established from time to time by the Exchange~~; t~~. The available price bands shall include $0, which would require the Indicative Price to equal the Expected Price, but shall not be in excess of $0.50. The Exchange reserves the right to ~~stipulate wider increments~~ establish larger increment steps (such as $0.05) or to make available price bands ~~that include~~ at certain price points but ~~exclude~~ not others (for example, increment~~s~~ steps of $0.01 up to $0.10, and increment~~s~~ steps of $0.05 thereafter). However, the Exchange will not (in the absence of the submission of a proposed rule change) allow price bands wider than $0.50. The Exchange will notify Members and the public of changes in available price bands or increments through a notice that is widely disseminated at least one week in advance of the change. In selecting available price bands and increments, the Exchange will consider input from LMMs and other market participants and the results of past usage of price bands to adopt price bands and increments that promote efficiency in the initiation of trading and protect investors and the public interest~~; and~~.

~~(c)~~ Beginning at 9:30 a.m. ET, if an Expected Price has been provided by the LMM, the ETP IPO Security will automatically be subjected to the price validation test, which will be reapplied automatically following a failure to the price validation test. An 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 ~~set around the Expected Price or the LMM does not provide an Expected Price~~. An ETP IPO Security passes the price validation test o the Indicative Price is within the price bands.

If an ETP IPO Security does not pass the price validation test, the Quote-Only Period will be automatically extended, but in no circumstance will the Quote-Only Period be extended past 9:45 a.m. ET under this Rule 11.23(d)(2)(C)(vi). The LMM may~~, but is not required to,~~ select different price bands or approve a new Expected Price ~~before recommencing the iterative process to release~~ after which the price validation test will be reapplied pursuant to this Rule 11.23(d)(2)(C)(vi). If the ETP IPO Security ~~for trading. The Quote-Only Period will~~ has not ~~extend past~~ passed the price validation test by 9:45 a.m. ET, the price validation test will no longer apply and Quote-Only Period will terminate, provided that no other conditions under ~~this~~ Rule 11.23(d)(2)(C)(vi) are present.

(D) Incremental Quote Period Extensions for Halt Auctions Following a Regulatory Halt. Pursuant to paragraph (d)(1)(A) above, the Quote-Only Period with respect to a Halt Auction shall commence five (5) minutes prior to such Halt Auction. The Quote-Only Period shall be extended for an additional five (5) minutes should a Halt Auction be unable to be performed due to unmatched market orders on the Auction Book associated with the auction, or the Indicative Price, before being adjusted for Halt Auction Collars, is outside the applicable Halt Auction Collars set forth in subparagraphs (i) and (ii) below (either, an “Impermissible Price”) (“Initial Extension Period”). After the Initial Extension Period, the Quote-Only Period shall be extended for additional five (5) minute periods should a Halt Auction be unable to be performed due to an Impermissible Price (“Additional Extension Period”) until a Halt Auction occurs. The Exchange shall attempt to conduct a Halt Auction during the course of each Additional Extension Period. The Halt Auction shall be cancelled at 3:50 p.m. eastern time, at which time the auction for the security shall be conducted pursuant to the Volatility Closing Auction process under section (e) of this Rule.

(i)-(ii) No change.

(E) Notification of Extensions of the Quote-Only Period. In the event of any extension to the Quote-Only Period as set forth in paragraph (B),[or] (C), or (D) above, the Exchange will notify market participants regarding the circumstances and length of the extension.

(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)-(ii) No change.

(G) Notification of Trading Pauses. If a Trading Pause is triggered by the Exchange or if the Exchange is unable to reopen trading at the end of the Trading Pause due to a systems or technology issue, the Exchange will immediately notify the single plan processor responsible for consolidation of information for the security pursuant to Rule 603 of Regulation NMS under the Securities Exchange Act of 1934.

(3) No change.

(e) Volatility Closing Auction. Where a security is halted between 3:50 p.m. and 4:00 p.m. pursuant to Rule 11.18 or the Quote-Only Period of a Halt Auction for a security halted before 3:50 p.m. pursuant to Rule 11.18 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.

(1) No change.

(2) Volatility Closing Auction Process.

(A) No change.

(B) Determination of Closing Price. Orders will be executed at the price level within the most recently widened Halt Auction Collar calculated pursuant to Rule 11.23(d)(2)(D) that maximizes the number of shares executed in the auction. 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 Final Last Sale Eligible Trade will be used for Volatility Closing Auctions. The Volatility Closing Auction price will be the BZX Official Closing Price.

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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)-(9) No change.

(10) The term "Indicative Price" shall mean the price at which the most shares from the Auction Book and the Continuous Book would match; provided, however, that for an IPO Auction, the Indicative Price shall mean the price at which the most shares from the Auction Book only would match, as no Continuous Book exists prior to commencement of trading in an IPO Security. In the event of a volume based tie at multiple price levels, the Indicative Price will be the price which results in the minimum total imbalance. In the event of a volume based tie and a tie in minimum total imbalance at multiple price levels, the Indicative Price will be the price closest to the Volume Based Tie Breaker.

(11)-(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) No change.

(B) Extending the Quote-Only Period for IPO Auctions in a BZX listed corporate security. The Quote-Only Period for IPO Auctions in BZX listed corporate securities may be extended where:

(i) there are unmatched market orders on the Auction Book associated with the auction;

(ii) the underwriter requests an extension;

(iii) [where]the Indicative Price moves the greater of 10% or fifty (50) cents in the fifteen (15) seconds prior to the auction;

(iv) in the event of a technical or systems issue at the Exchange that may impair the ability of Users to participate in the IPO Auction or of the Exchange to complete the IPO Auction; or

(v) [a Derivative Security fails to meet the Exchange's listing qualification requirements as set forth in Rule 14.11; or

(vi)] there is a [security]BZX listed corporate security that is the subject of an initial pricing on the Exchange that has not been listed on a national securities exchange immediately prior to the initial pricing.

(C) Extending the Quote-Only Period for IPO Auctions in an ETP IPO Security. The Quote-Only Period for ETP IPO Auctions in BZX listed ETP IPO Securities may be extended where:

(i) there are unmatched market orders on the Auction Book associated with the auction;

(ii) the Indicative Price moves the greater of 10% or fifty (50) cents in the fifteen (15) seconds prior to the auction;

(iii) in the event of a technical or systems issue at the Exchange that may impair the ability of Users to participate in the IPO Auction or of the Exchange to complete the IPO Auction;

(iv) an ETP IPO Security fails to meet the Exchange's listing qualification requirements as set forth in Rule 14.11;

(v) there is an ETP IPO Security that is the subject of an initial pricing on the Exchange that has not been listed on a national securities exchange immediately prior to the initial pricing; or

(vi) the ETP IPO Security does not pass the "price validation test" set forth below.

The System will determine the Indicative Price of the ETP IPO Auction and display the live Indicative Price to the lead market maker ("LMM") during the Quote-Only Period. The LMM may approve an Indicative Price, or update a prior approval, as often as necessary prior to 9:45 a.m. ET. The most recently approved Indicative Price at the time of each application of the price validation test shall be the "Expected Price". If there is no LMM or the LMM does not provide an Expected Price, the ETP IPO Security shall be deemed to have failed the price validation test and the Quote-Only Period will extend as provided below.

Prior to 9:45 a.m. ET, the LMM for the ETP IPO Security may select price bands for purposes of applying a price validation test to the ETP IPO Security. The LMM may also update its price band selection at any time prior to 9:45 a.m. ET, including between iterations of the price validation test. The price bands are determined based on the Expected Price and are designed to limit how far an Indicative Price can move to pass the price validation test. The LMM may select an upper price band (i.e., the maximum amount above the Expected Price by which the live Indicative Price may move) and a lower price band (i.e., the maximum amount below the Expected Price by which the live Indicative Price may move). If the LMM does not select price bands, the Exchange will apply an upper and lower price band of $0.10 each.

The price bands available for selection shall be in such increments, and at such price points, as may be established from time to time by the Exchange. The available price bands shall include $0, which would require the Indicative Price to equal the Expected Price, but shall not be in excess of $0.50. The Exchange reserves the right to establish larger increment steps (such as $0.05) or to make available price bands at certain price points but not others (for example, increment steps of $0.01 up to $0.10, and increment steps of $0.05 thereafter). However, the Exchange will not (in the absence of the submission of a proposed rule change) allow price bands wider than $0.50. The Exchange will notify Members and the public of changes in available price bands or increments through a notice that is widely disseminated at least one week in advance of the change. In selecting available price bands and increments, the Exchange will consider input from LMMs and other market participants and the results of past usage of price bands to adopt price bands and increments that promote efficiency in the initiation of trading and protect investors and the public interest.

Beginning at 9:30 a.m. ET, if an Expected Price has been provided by the LMM, the ETP IPO Security will automatically be subjected to the price validation test, which will be reapplied automatically following a failure to the price validation test. An 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. An ETP IPO Security passes the price validation test if the Indicative Price is within the price bands.

If an ETP IPO Security does not pass the price validation test, the Quote-Only Period will be automatically extended, but in no circumstance will the Quote-Only Period be extended past 9:45 a.m. ET under this Rule 11.23(d)(2)(C)(vi). The LMM may select different price bands or approve a new Indicative Price, after which the price validation test will be reapplied pursuant to this Rule

11.23(d)(2)(C)(vi). 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.

([C]D) Incremental Quote Period Extensions for Halt Auctions Following a Regulatory Halt. Pursuant to paragraph (d)(1)(A) above, the Quote-Only Period with respect to a Halt Auction shall commence five (5) minutes prior to such Halt Auction. The Quote-Only Period shall be extended for an additional five (5) minutes should a Halt Auction be unable to be performed due to unmatched market orders on the Auction Book associated with the auction, or the Indicative Price, before being adjusted for Halt Auction Collars, is outside the applicable Halt Auction Collars set forth in subparagraphs (i) and (ii) below (either, an "Impermissible Price") ("Initial Extension Period"). After the Initial Extension Period, the Quote-Only Period shall be extended for additional five (5) minute periods should a Halt Auction be unable to be performed due to an Impermissible Price ("Additional Extension Period") until a Halt Auction occurs. The Exchange shall attempt to conduct a Halt Auction during the course of each Additional Extension Period. The Halt Auction shall be cancelled at 3:50 p.m. eastern time, at which time the auction for the security shall be conducted pursuant to the Volatility Closing Auction process under section (e) of this Rule.

(i)-(ii) No change.

([D]E) Notification of Extensions of the Quote-Only Period. In the event of any extension to the Quote-Only Period as set forth in paragraph (B),[or] (C), or (D) above, the Exchange will notify market participants regarding the circumstances and length of the extension.

([E]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)-(ii) No change.

([F]G) Notification of Trading Pauses. If a Trading Pause is triggered by the Exchange or if the Exchange is unable to reopen trading at the end of the Trading Pause due to a systems or technology issue, the Exchange will immediately notify the single plan processor responsible for consolidation of information for the security pursuant to Rule 603 of Regulation NMS under the Securities Exchange Act of 1934.

(3) No change.

(e) Volatility Closing Auction. Where a security is halted between 3:50 p.m. and 4:00 p.m. pursuant to Rule 11.18 or the Quote-Only Period of a Halt Auction for a security halted before 3:50 p.m. pursuant to Rule 11.18 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.

(1) No change.

(2) Volatility Closing Auction Process.

(A) No change.

(B) Determination of Closing Price. Orders will be executed at the price level within the most recently widened Halt Auction Collar calculated pursuant to Rule 11.23(d)(2)(D)[(1)(C)] that maximizes the number of shares executed in the auction. 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 Final Last Sale Eligible Trade will be used for Volatility Closing Auctions. The Volatility Closing Auction price will be the BZX Official Closing Price.

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