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

File No. * SR 2026 - * 024

Amendment No. (req. for Amendments *)

Filing by Cboe Exchange, Inc.

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

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

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

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

Section 806(e)(2) *

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

Exhibit 2 Sent As Paper Document

Exhibit 3 Sent As Paper Document

Description

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

The Exchange proposes to amend certain of its rules regarding complex orders and complex order auctions to accommodate stop limit complex orders and establish Stop Complex Order Auctions as a new type of auction mechanism.

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 * Karen Last Name * Bilek

Title * Assistant General Counsel

E-mail * kbilek@cboe.com

Telephone * (224) 461-3523 Fax

Signature

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

Date 03/09/2026 (Title *)

By Laura G. Dickman (Name *) VP, Associate General Counsel

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

Laura Dickman Date: 2026.03.09
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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

26-024 (Complex Stop Limit Orders ar

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

Exhibit 1 - Notice of Proposed Rule Change *

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26-024 (Complex Stop Limit Orders ar

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 1A - Notice of Proposed Rule Change, Security-Based Swap Submission, or Advanced Notice by Clearing Agencies *

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2- Notices, Written Comments, Transcripts, Other Communications

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Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit Sent As Paper Document

Exhibit 3 - Form, Report, or Questionnaire

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Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit Sent As Paper Document

Exhibit 4 - Marked Copies

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

Exhibit 5 - Proposed Rule Text

Add Remove View

26-024 (Stop Limit Complex Orders ar

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change

Partial Amendment

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

Item 1. Text of the Proposed Rule Change

(a) Cboe Exchange, Inc. (the “Exchange” or “Cboe Options”) proposes to amend certain of its rules regarding complex orders and complex order auctions to accommodate stop-limit complex orders and establish Stop Complex Order Auctions (“SCOA”) as a new type of auction mechanism. The text of the proposed rule change is provided in Exhibit 5.

(b) Not applicable.

(c) Not applicable.

Item 2. Procedures of the Self-Regulatory Organization

(a) The Exchange’s President (or designee) pursuant to delegated authority approved the proposed rule change on February 24, 2026. The Exchange will announce via Exchange Notice the implementation date of the proposed rule change no later than 60 days after the approval 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) 786-7467, or Karen Bilek, (312) 786-7128, Cboe Exchange, Inc., 433 West Van Buren Street, Chicago, Illinois 60607.

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

(a) Purpose

The Exchange proposes to amend certain Exchange rules regarding complex orders and complex order auctions to establish stop-limit complex orders as a type of complex order and SCOA as a type of auction mechanism that will facilitate auctions for stop-limit complex orders. Specifically, the Exchange proposes to amend Rule 5.33 to 1) define stop-

limit complex orders and SCOA, as well as additional terms needed to support stop-limit complex orders and SCOA, 2) describe SCOA processing as a new type of auction for complex orders, and 3) broaden the existing naming convention for auction communications to include SCOA while also updating certain auction references throughout to include SCOA. Additionally, the Exchange proposed to amend Rule 5.21(b), Rule 5.25(c), and Rule 5.34(c) to include SCOA in certain references with other types of auctions, thereby applying certain existing safeguards to SCOA. The Exchange also proposes an administrative change to Rule 5.33(b) to make a grammatical correction.

A “complex order” is an order or quote involving the concurrent execution of two or more different series in the same underlying equity security or index (the “legs” or “components” of the complex order), for the same account, occurring at or near the same time and for the purpose of executing a particular investment strategy with no more than the applicable number of legs.¹ A “Stop-Limit” order is an order to buy (sell) that becomes a limit order² when the consolidated last sale price (excluding prices from complex order trades if outside the NBBO) or NBB (NBO) for a particular option contract is equal to or above (below) the specified stop price.³ Currently, the Exchange offers stop-limit functionality for simple orders only. The Exchange proposes to extend this functionality to complex orders, thereby creating stop-limit complex orders for options.

Taking into consideration the growth of daily expiring options, the Exchange believes that market participants will use stop-limit complex orders to more efficiently manage the

¹ See Rule 1.1

² See Rule 1.1, which states that a “limit order” is an order to buy or sell a stated number of option contracts at a specified price or better.

³ See Rule 5.6(c)

short side of a complex order. The Exchange understands market participants currently may enter a stop-limit order on the short leg of a complex order while managing the long leg separately. A stop-limit complex order will provide market participants with the ability to manage both the long and short legs simultaneously.

To establish stop-limit complex orders, the Exchange proposes to add “stop-limit complex order” in Rule 5.33(b) as a new instruction type that the System⁴ will accept as a complex order and “Market-Maker SBBO” as a new term in Rule 5.33(a). As a new type of complex order, a stop-limit complex order means a complex order to buy or sell, as the case may be, two or more different series in the same underlying equity security or index, which are the “legs” or “components” of the complex order, for the same account, occurring at or near the same time and for the purpose of executing a particular investment strategy with no more than the applicable number of legs. Stop-limit complex orders will become limit orders when certain trigger conditions are met, one of which involves Market-Maker quotes in the individual legs of a complex order. Therefore, the Exchange proposes to adopt the new term “Market-Maker SBBO” to mean the best bid and offer on the Exchange calculated using only appointed Market-Maker quotes in the individual legs of a complex order. The Exchange believes that the use of the Market-Maker SBBO is preferable because it insulates stop-limit complex orders from inappropriate triggering events that could otherwise be caused by including non-Market-Maker single-leg limit orders into the SBBO. Specifically, using the Market-Maker SBBO will help avoid cascading events where a customer enters a single-leg

⁴ See Rule 1.1, which states that the term “System” means the Exchange’s hybrid trading platform that integrates electronic and open outcry trading of option contracts on the Exchange, and includes any connectivity to the foregoing trading platform that is administered by or on behalf of the Exchange, such as a communications hub.

order with a limit price that is higher than the current best Market-Maker bid. Using the SBBO inclusive of single-leg customer orders could cause resting complex stop limit orders to trigger on SBBOs that are not reflective of liquidity provider price levels, which could harm complex stop limit customers. Further, the execution of the first stop-limit complex order(s) that are inappropriately triggered by inclusion of a non-Market-Maker order into the SBBO may in turn trigger a second investor's stop limit order with a more aggressive stop price, and so on, thereby creating a cascading event of inappropriately-triggered customer stop-limit orders. The Exchange believes that limiting the trigger condition, as described below, to quotes from Market-Makers will be more reflective of the market value and provide a more authentic market valuation to determine if a stop-limit complex order should be triggered.

A stop-limit complex order will become a limit order when either (i) the Market-Maker SBBO or a trade price for a trade that occurs in the same complex strategy is equal to or higher (lower) than the stop-limit price, or (ii) the same side bid (ask) of the underlying equity security or the underlying index level, as the case may be, is equal to or higher (lower) than the designated stop-limit price or if a complex trade price is equal to or higher (lower) than the stop-limit price. In other words, a complex-stop limit order is a conditional order that becomes a limit order when triggered by one of two conditions. Only one of the two possible trigger conditions can be designated for a stop-limit complex order. Stop-limit complex orders may not be designated for bulk messages or as orders Direct to PAR.⁵

To facilitate order processing for stop-limit complex orders, the Exchange proposes to establish SCOA as a new type of auction mechanism. The Exchange currently offers a

⁵ See Rule 5.6(b), which defines a "Direct to PAR" order as an order a User designates to be routed directly to a specified PAR workstation for manual handling. A PAR workstation is an Exchange-provided order management tool for use on the Exchange's trading floor.

variety of auction mechanisms which provide price improvement opportunities for eligible orders but only one type of auction mechanism for complex orders, Complex Order Auction (“COA”).⁶⁶ The Exchange proposes SCOA as a second type of auction mechanism for complex orders, specifically stop-limit complex orders, that is similar to COA. Like COA, SCOA is intended to provide opportunities for price improvements, but it is also designed to maximize execution quantity, particularly given that one event may trigger multiple complex stop-limit orders. SCOA is the auction mechanism for stop-limit complex orders, and stop-limit complex orders are only eligible for SCOA processing (in other words, all triggered stop-limit complex orders will be processed in a SCOA). Consequently, Rule 5.33(b)(5)(A) is amended to state that a stop-limit complex order is not COA-eligible.

To add SCOA to Rule 5.33 as a new type of auction mechanism for stop-limit complex orders, the Exchange proposes to add the term “Stop Complex Order Auction” or “SCOA” as a new definition in Rule 5.33(a) and detail SCOA and SCOA processing in Rule 5.33(d). Rule 5.33(d) currently details COA and COA processing. Since both COA and SCOA are auction mechanisms for complex orders, the Exchange proposes to rename Rule 5.33(d) from “Complex Order Auctions (COAs)” to “Auction Types for Complex Orders” and relocate all existing COA provisions currently in Rule 5.33(d) to Rule 5.33(d)(1). Additionally, SCOA will utilize the same system functionality for order entry and messaging as COA. Consequently, the existing naming convention found in Rule 5.33 for order entry, including transaction ID, and auction messaging that currently reference COA (e.g. COA messages) is broadened by replacing the existing “COA” designation with “auction” throughout Rule 5.33. For example, instances of “COA messages” throughout Rule 5.33 are replaced with

⁶⁶ See Rule 5.33.

“auction messages” so as to apply to both COA and SCOA messages within Rule 5.33. Also, language in existing Rule 5.33(d)(3) - *Response Time Interval* is updated to Rule 5.33(d)(1)(C) - *Response Time Interval for COA* to clarify that occurrences of Response Time Interval in that subparagraph are applicable to COA whereas occurrences of Response Time Interval in new Rule 5.33(d)(2)(D) are applicable to SCOA.

The Exchange proposes to further amend Rule 5.33(d) by adding “*Stop Complex Order Auction (SCOAs)*” as the second action type of auction mechanism for complex orders, specifically (and solely) for stop-limit complex orders, as new subparagraph (d)(2). New Rule 5.33(d)(2)(A) establishes that a SCOA is triggered when the trigger condition designated for a stop-limit complex order has been met. There are two possible trigger conditions for a stop-limit complex order: the SBBO/trade price trigger condition and the underlying price trigger condition. However, only one of the two possible types of trigger conditions may apply to a stop-limit complex, and the trigger condition type is determined when a stop-limit complex order is submitted by the User.⁷ If no trigger condition type is designated when a stop-limit complex order is submitted, the default trigger condition will be applied, as described below.

For a stop-limit complex order with the SBBO/trade price trigger condition, the trigger condition is met when either (i) the same side Market-Maker SBBO is equal to or higher (lower) than the stop-limit price or (ii) a trade occurs in the same complex instrument at a price equal to or higher (lower) than the stop-limit price. The SBBO/trade price trigger condition will be the trigger condition for a SCOA if the SBBO/trade price trigger condition is designated as such when an order is submitted or if no trigger condition is designated at the

⁷ See Rule 1.1, which states that the term “User” means any TPH or Sponsored User who is authorized to obtain access to the System pursuant to Rule 5.5.

time of order submission since the SBBO/trade price trigger condition functions as the default trigger condition. Stop-limit complex orders comprised of legs in different groups of series in a class that designate the SBBO/Trade Price trigger condition will only trigger a SCOA if a trade occurs at or better than the stop price. As an example, for stop-limit complex orders with both SPX and SPXW leg components that have the SBBO/Trade Price trigger condition, the SCOA will only trigger if a trade occurs at or better than the stop price.

For a stop-limit complex order with an underlying price designated as the trigger condition, the order must be submitted with instructions that designate the price threshold of the underlying security or index as either (i) at or above the underlying price or index level or (ii) at or below the underlying price or index level. If the underlying security is an equity, the SCOA is triggered when the same side bid (ask) of the underlying security is equal to or higher (lower) than the designated stop-limit price or if a last-sale eligible trade price is equal to or higher (lower) than the stop-limit price. If the underlying security is an index, the SCOA is triggered when the underlying index level is equal to or higher (lower) than the designated threshold price. The price threshold must be designated at a price that is higher (lower) than the current value of the underlying security.

Once the trigger condition designated for a stop-limit complex order is met, a SCOA will be initiated, and the System will send an auction message to all subscribers that receive auction messages. An auction message will identify the auction ID, instrument ID, quantity, and side of the market of the stop-limit complex order. If a single stop-limit complex order is triggered, the SCOA starting auction price will be the less aggressive of the order's limit price or the opposite side SBBO. In addition to addressing a single stop-limit complex order, SCOA is an auction mechanism designed to effectively manage order handling in the event that

multiple stop-limit complex orders with the same trigger event are elected simultaneously, which has been observed for simple complex orders. If multiple stop-limit complex orders in the same complex instrument are triggered by the same trigger event, such orders are bundled into the same SCOA, as stated in new Rule 5.33(d)(2)(B). For multiple stop-limit complex orders in the same SCOA with the same trigger event, the SCOA starting auction price will be the less aggressive of either the most aggressive limit price of the orders in the SCOA or the opposite side SBBO.

If multiple stop-limit complex orders are received for the same complex strategy but with different trigger conditions, such orders will not be bundled into the same SCOA. Instead, multiple stop-limit complex orders in the same complex strategy but with different trigger events will be processed as separate SCOAs. SCOAs may process concurrently, and the System may initiate a SCOA in a complex strategy even though another SCOA in that complex strategy is ongoing.

Proposed Rule 5.33(b)(2)(D) defines “Response Time Interval” for SCOA as the period of time during which Users may submit responses to the auction message. The Exchange will establish the Response Time Intervals for SCOA on a class-by-class basis, and as provided in new Rule, the duration of the response time interval may not exceed 1000 milliseconds. Auction Responses to SCOA will be substantially similar to Auction Responses to COA, and consequently, the process of submitting Auction Responses for SCOA in Rule 5.33(b)(2)(E) is substantially similar to the process of submitting Auction Responses for COA in Rule 5.33(b)(1)(D). As is the case for COA, the Exchange will determine on a class-by-class basis if all Users are eligible to submit Auction Response(s) or if only Marker-Makers with an appointment in the class and TPHs acting as agent for orders resting at the top of the

COB⁸ in the relevant complex strategy may submit Auction Response(s). An Auction Response must specify the price, size, side of the market and auction ID for the SCOA that the Auction Response is in response to. Auction Response(s) with a permissible Capacity in the applicable minimum increment during the Response Time Interval will be accepted by the System. Auction Responses may be for a quantity that is more than the SCOA order. The System will aggregate the size of Auction Responses submitted at the same price for an EFID⁹ and cap the size of the aggregated Auction Responses at the size of the SCOA order. During the Response Time Interval, Auction Responses are not firm and can be modified or withdrawn at any time prior to the end of the Response Time Interval. However, any modified Auction Response will be given a new timestamp by the System, resulting in a loss of priority unless the modification was to decrease the size in the Auction Response. At the end of the Response Time Interval, Auction Responses are firm, and their price and size are guaranteed. Auction Responses are not displayed and may only execute against the SCOA order for which an Auction Response is submitted. The System will cancel or reject any unexecuted Auction Responses or unexecuted portions at the conclusion of the SCOA. In certain circumstances, the System will terminate a SCOA prior to end of the Response Time Interval.

Similar to COA¹⁰, a SCOA may be terminated early if orders are received in a leg of the stop-limit complex order that would improve the SBBO on the same side as the SCOA order to a price better than the limit price of any of the orders in the SCOA. A SCOA may also be terminated early if an order is received in a leg of the stop-limit complex order that

⁸ See Rule 5.33(a), which defines “Complex Order Book” or “COB” as the Exchange’s electronic book of complex orders used for all trading sessions.

⁹ See Rule 1.1, which state that the term “EFID” means an Executing Firm ID.

¹⁰ See existing Rule 5.33(d)(3)

would join or improve the SBBO on the same side of the SCOA order to a price equal to the limit price of any of the orders in the SCOA and cause any component of the SBBO to be represented by a Priority Customer.¹¹ In either case of early termination, the SCOA will be terminated by the System and any unexecuted orders resulting from the termination will be entered into the COB, if eligible, in accordance with new Rule 5.33(d)(2)(E)(iii).

Since other orders received in a leg of the complex order may result in early termination of a SCOA as described above, the Exchange recognizes it is possible that market activity may be used to interfere with SCOA processing in a way that is contrary to just and equitable principles of trade in the markets. Consequently, the Exchange proposes to amend Interpretations and Policies .03 to Rule 5.33 to include SCOA so that if the Exchange identifies a pattern or practice of order submissions by a TPH that results in early termination of a SCOA(s) because such orders cause one of the conditions for early SCOA termination to be met, the actions of the TPH will be deemed conduct inconsistent with just and equitable principles of trade and a violation of Rule 8.1, as is currently the case for COA.

New Rule 5.33(d)(2)(F) establishes the processing of SCOA orders. Once the Response Time Interval has ended, the System will execute a SCOA order, in whole or in part, against complex contra-side interest by using an allocation algorithm that will allocate Auction Responses and unrelated orders resting in the COB to maximize executed volume. The SCOA allocation algorithm maximizes execution quantity while optimizing price-improvement opportunity for stop-limit complex order customers. The Exchange notes that SCOA does not allow legging because the SCOA allocation algorithm considers all

¹¹ See Rule 1.1 which states that the term “Priority Customer” means a person or entity that is a Public Customer and is not a Professional.

available liquidity and has multiple rounds. The complexity is compounded if legging is included and is further compounded if any of the legging events trip risk control limits for the single-leg book participants (particularly for Market-Makers who rely heavily on risk controls). The Exchange notes if the SCOA orders aren't filled in the auction, then they will be added to the COB in sequence and individually eligible for legging at that point (as they are ultimately just complex limit orders at that point). If there are any unfilled order(s) in a SCOA after allocating Auction Responses and unrelated orders resting in the COB, the System will use an iteration process to attempt to fill the remaining orders of the initial SCOA. Upon completion of the initial SCOA, unfilled order(s) will iterate through additional SCOAs at incrementally more aggressive starting prices, as stated in the Exchange's technical specifications, until all orders are filled, their limit price has been reached, or the current opposite side SBBO price has been used as the last auction start price. The System enters any unexecuted portion of a SCOA order that does not execute at the end of the SCOA iterations into the COB, if eligible for entry, and applies a timestamp based on the time it enters the COB. The System cancels or rejects any unexecuted portion of a SCOA order that does not execute at the end of the SCOA iterations if not eligible for entry into the COB, in accordance with the instructions for the stop-limit complex order.

The Exchange proposes additional amendments to Rule 5.33 to apply certain existing provisions of the rule to SCOA or add SCOA as an auction mechanism applicable to existing rule provisions. Specifically, the definition of "Regular Trading" in Rule 5.33(a) is amended to add SCOA to the existing COA reference, thereby excluding complex orders processed through COA or SCOA from the definition of regular trading since complex orders processed during the COA or SCOA process are not part of regular trading of complex orders. The

Exchange also proposes to amend Rule 5.33(b) to add SCOA to references of COA since SCOA is treated in the same manner as COA regarding the Exchange's determination of terms and Capacities.¹² The instruction type of Stock-Option Order as provided in Rule 5.33(b)(5) is amended to state that, like COA and other auction mechanisms, a nonconforming stock-option order is not eligible for SCOA processing. SCOA is added to COA references in Rule 5.33(k) so that a SCOA will end if any component or underlying security of a SCOA order is halted.

The Exchange also proposes to add SCOA to Rules 5.21, 5.25, and 5.34 to include SCOA with COA references regarding order handling, message traffic mitigation, and protection mechanisms and risk controls for complex orders. Specifically, the Exchange proposes to amend Rule 5.21(b)(3) to remove language limiting response auctions for complex orders and add SCOA to electronic order handling during a limit up-limit down state. The proposed amendment to Rule 5.25(c) adds SCOA to the list of the Exchange's auction mechanisms, thereby applying the message traffic mitigation requirements for auction response processing to SCOA. The Exchange also proposes to amend Rule 5.34(b) and (c) to include SCOA with existing references to COA to extend existing order and quote price protection mechanisms and risk controls for complex order to SCOA communications and processing. Under proposed 5.34(c)(4)(B)(i), a User may specify whether volume or executions in SCOA, in addition to existing auction mechanisms named in the rule, will count toward the User's class, EFID, or EFID Group limit. Option volume resulting from SCOA processing may be excluded from certain risk monitor mechanism risk parameters,

¹² See Rule 1.1 which states that "Capacity" means the capacity in which a User submits an order, such as an order for the account of a Market-Maker or Public Customer.

namely the volume parameter in Rule 5.34(c)(4)(A)(i) and the count parameter in Rule 5.34(c)(4)(A)(iii). Additionally, under proposed rule 5.34(c)(4)(F), SCOA is named as a type of complex order within the rule so that individual trades executed as part of a complex order response may be counted when determining that the volume, notional, count, or risk trips limit as well as percentage limit have been reached. Use of this functionality is optional, and a User may continue to include executions resulting from these exchange auctions in their risk parameters

The Exchange also proposes to make a grammatical correction to Rule 5.33(d)(1)(D) to update “appointed” to “appointment” when referencing the appointment of a Market-Maker.

(b) Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the “Act”) and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.¹³ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹⁴ requirements that the rules of an exchange be designed to prevent fraudulent and 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

¹³ 15 U.S.C. 78f(b).

¹⁴ 15 U.S.C. 78f(b)(5).

Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹⁵ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, the Exchange believes the proposed change would remove impediments to and perfect the mechanism of a free and open market and a national market system, and protect investors and the public interest by making available to investors a type of complex order that incorporates the functionality of a stop-limit order. A stop-limit complex order can effectively be used by a market participant to replace manual monitoring and management a market participant must currently engage in to gain the benefits of stop-limit functionality. Market participants may choose to execute a transaction once certain market conditions are met as a way to help manage and reduce the risk of extreme loss. Stop-limit complex orders provide investors an execution and risk management tool to execute transactions without the manual monitoring needed today. The addition of a stop-limit complex order gives market participants who wish to utilize this order type an automated way of monitoring for conditions in which they desire an execution to occur, thereby creating operational efficiencies for the market. The Exchange believes the proposed rules are appropriate in that complex orders are recognized by market participants as useful, both as an investment and a risk management strategy, and adding stop-limit order functionality to complex orders provides even greater utility. The proposed rules will provide an efficient mechanism for carrying out investor strategies.

The Exchange also believes auctioning triggered stop-limit complex orders through a SCOA will provide those orders with additional opportunities for price improvement and

¹⁵ Id.

executions, particularly given that multiple stop-limit complex orders may be triggered by the same event. SCOA is necessary as a new auction mechanism to accommodate stop-limit complex order auctions because SCOA functionality that bundles multiple orders is unique to the SCOA auction mechanism. The Exchange believes that when multiple stop-limit complex orders are triggered by the same event, bundling into a single SCOA will have better execution outcomes than processing multiple individual orders in separate auctions. Pursuant to the proposed trigger process, the System will initiate the SCOA process for all stop-limit complex orders once designated conditions are met. Through the SCOA process, the Exchange intends to allocate resting interest against auctioned stop-limit orders to maximize executed volume, thereby filling stop-limit complex orders to the extent possible based on the auction responses received for the SCOA and resting interest in the COB. The Exchange believes this allocation method will benefit investors because it will result in execution of as many contracts of the auctioned order(s) as possible. The Exchange believes that the proposal to initiate a SCOA once the designated trigger condition for a stop-limit complex order has been met removes impediments to, and perfects the mechanisms of, a free and open market and a national market system and, in general, protects investors and the public interest because the Exchange will initiate a SCOA for a stop-limit complex order in accordance with the user's instructions. Additionally, through the SCOA functionality that bundles multiple stop-limit complex orders with the same trigger condition into the same SCOA, SCOA processing will pursue price improvement through its allocation algorithm that is designed to maximize execution quantity while optimizing price-improvement opportunity for customers. The proposed execution of SCOA orders following the conclusion of a SCOA is consistent with general

principles of customer priority and protects the leg markets. While SCOA orders may execute against complex contra-side interest only, the prices of these executions must improve the SBBO if there is a Priority Customer representing any leg on the Simple Book as required by Rule 5.33(f)(2)(A)(iv). The proposed stop-limit complex order rules also promote equal access by providing recipients of the Exchange's data feeds that include auction notifications with the opportunity to interact with orders in a SCOA.

The Exchange again notes that the communication functionality for SCOA is the same as the existing functionality for COA, providing Users with the ability to place a stop-limit complex order if they so choose. When utilizing a stop-limit complex order, Users also have the choice to select the trigger condition for the order. Market participants who wish to place a stop-limit complex order have the flexibility to choose one of two types of trigger conditions which, if met, would execute the stop-limit complex order for SCOA processing. The trigger conditions rely on certain option or underlying prices, or index levels. The Exchange believes it is appropriate to use the Market-Maker SBBO for one of the trigger conditions because it will help insulate a stop-limit complex order from being triggered by an inappropriate trigger event (such as one or more customer orders placed at an extreme price) that could otherwise be caused by including non-Market-Maker limit orders into the SBBO. Use of the Market-Maker SBBO as a triggering condition is intended to help avoid cascading triggering events that could result from customer stop-limit complex orders with limit prices that are not necessarily reflective of market valuation. Use of the Market-maker SBBO will help support greater market stability and execution and provides certain protections to market participants who wish to utilize stop-limit complex orders. The Exchange believes the proposed changes to add stop-limit

complex orders and SCOA are not unfairly discriminatory, as the abilities to place a stop-limit order and respond to a SCOA auction message are generally available to all Users. The proposed rule change provides the Exchange with the authority to determine if all Users or only Market-Makers and certain TPHs may respond to auction messages in alignment with Exchange authority for responses to auction messages for COA,¹⁶ and the Exchange believes is appropriate to limit responses to Market-Makers and certain TPHs if it is necessary to incentivize those Market-Makers or TPHs to provide liquidity and further encourage competition. If the Exchange were to limit responses to only Market-Makers and designated TPHs, the Exchange would do so to encourage more competitive responses because such responses will have a greater likelihood of fulfillment in larger quantities when such responses are at more competitive prices.

Additionally, regarding risk controls and price protection mechanisms, the Exchange believes the proposed change would remove impediments to and perfect the mechanism of a free and open market and a national market system, and protect investors and the public interest by providing market participants with enhanced abilities to manage their risk with respect to stop-limit complex orders on the Exchange. The Exchange believes that the proposed rule change will protect investors and the public interest because the proposed extension of reasonability checks and the inclusion of SCOA processing with drill-through protection as a risk monitoring mechanism will assist Users in minimizing their risk exposure, thereby reducing the potential for disruptive, market-wide events. The Exchange also notes that the proposed amendment to Rule 5.33(k) to cancel or reject all auction responses to a SCOA in the event that any component or underlying security to a

¹⁶ See Rule 5.33(d)(1)(D).

stop-limit complex order is halted provides an addition layer of protection to market participants by eliminating SCOA processing when trading in underlying securities is not available. SCOA will function in a similar manner as COA with respect to these protection and risk mechanisms, as well as trading halts, and the proposed amendments are consistent with Cboe Rules as applicable to COA.

Proposed amendments to Rules 5.34(b) and (c) specifically include SCOA with safeguards that exist for COA. The Exchange believes the proposed change to include SCOA in the auction mechanism types that allow Users to specify whether volume or executions in the various named auction mechanisms will count toward the User's class, EFID, or EFID Group limit is reasonable because orders executed through these auction mechanisms are subject to different protections, such as price improvement requirements, as compared to other order types. As a result, these orders have different risk considerations. The Exchange notes that this functionality is optional, and Users may continue to include executions resulting from these exchange auctions in their risk parameters (as is the case today) if they prefer. Additionally, the Exchange believes the proposed changes are not unfairly discriminatory, as the risk controls and protection mechanisms that will be applied to SCOA are currently available for other auction types. Additionally, the risk controls and protection mechanisms are available to all Users and applied uniformly to all Users who may choose to utilize enhanced risk parameter settings.

Last, the Exchange believes correcting a grammatical error by replacing "appointed" with "appointment" in Rule 5.33(d)(1)(D) will eliminate confusion in this provision of the rule.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change is intended to provide market participants with new voluntary functionality to automate a manual monitoring process to determine when to execute an order in the event that a specific condition has been met. The Exchange does not believe that the proposed rule change will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act, because stop-limit complex orders will be available to all Users and processed in the same manner. A stop-limit complex order is a type of complex order that is intended to achieve the execution of a complex order that Users can achieve today through manual monitoring and order submissions. Stop-limit complex orders offer market participants an automated alternative to this manual process. The proposed rule change provides all Users with the ability to submit a stop-limit complex order, which will be processed through SCOA once the trigger condition for the order has been met. Use of a stop-limit complex order (as well as the trigger condition) will be voluntary and within the discretion of a User, and a User may continue to manage complex orders to achieve an execution of a complex order under certain conditions in the same manner they do today. Additionally, SCOA messaging for an order will be sent to all Users who are recipients of auction messaging data, and all Users generally may submit responses to the auction if they so choose.

The Exchange does not believe the proposed rule change will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act, as the proposed rule changes apply only to a permissible User order

instruction regarding how the Exchange will handle and then execute an order. Stop-limit complex orders extend functionality that is available today on the Exchange in stop-limit orders for simple orders to complex orders, and SCOA will utilize certain COA functionality that is currently used on the Exchange. Additionally, to the extent that the proposed changes may make the Exchange a more attractive trading venue for market participants on other exchanges, such market participants may elect to become Exchange market participants.

Item 5. Self-Regulatory Organization’s Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

The Exchange neither solicited nor received written 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.¹⁷

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.

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.

¹⁷ 15 U.S.C. 78s(b)(2).

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

Not applicable.

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

Not applicable.

Item 11. Exhibits

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

Exhibit 5. Proposed rule text.

EXHIBIT 1**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34- ; File No. SR-CBOE-2026-024]

[Insert date]

Self-Regulatory Organizations; Cboe Exchange, Inc.; Notice of Filing of a Proposed Rule Change to Amend Certain of its Rules Regarding Complex Orders and Complex Order Auctions to Accommodate Stop-Limit Complex Orders and Establish Stop Complex Order Auctions (“SCOA”) as a New Type of Auction Mechanism

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

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

Cboe Exchange, Inc. (the “Exchange” or “Cboe Options”) proposes to amend certain of its rules regarding complex orders and complex order auctions to accommodate stop-limit complex orders and establish Stop Complex Order Auctions (“SCOA”) as a new type of auction mechanism. The text of the proposed rule change is provided in Exhibit 5.

The text of the proposed rule change is also available on the Commission’s website (<https://www.sec.gov/rules/sro.shtml>), the Exchange’s website

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

(https://www.cboe.com/us/options/regulation/rule_filings/bzx/), and at the principal office of the Exchange.

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

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

The Exchange proposes to amend certain Exchange rules regarding complex orders and complex order auctions to establish stop-limit complex orders as a type of complex order and SCOA as a type of auction mechanism that will facilitate auctions for stop-limit complex orders. Specifically, the Exchange proposes to amend Rule 5.33 to 1) define stop-limit complex orders and SCOA, as well as additional terms needed to support stop-limit complex orders and SCOA, 2) describe SCOA processing as a new type of auction for complex orders, and 3) broaden the existing naming convention for auction communications to include SCOA while also updating certain auction references throughout to include SCOA. Additionally, the Exchange proposed to amend Rule 5.21(b), Rule 5.25(c), and Rule 5.34(c) to include SCOA in certain references with other types of auctions, thereby applying certain existing safeguards to SCOA. The Exchange also proposes an administrative change to Rule 5.33(b) to make a grammatical correction.

A “complex order” is an order or quote involving the concurrent execution of two or more different series in the same underlying equity security or index (the “legs” or “components” of the complex order), for the same account, occurring at or near the same time and for the purpose of executing a particular investment strategy with no more than the applicable number of legs.³ A “Stop-Limit” order is an order to buy (sell) that becomes a limit order⁴ when the consolidated last sale price (excluding prices from complex order trades if outside the NBBO) or NBB (NBO) for a particular option contract is equal to or above (below) the specified stop price.⁵ Currently, the Exchange offers stop-limit functionality for simple orders only. The Exchange proposes to extend this functionality to complex orders, thereby creating stop-limit complex orders for options.

Taking into consideration the growth of daily expiring options, the Exchange believes that market participants will use stop-limit complex orders to more efficiently manage the short side of a complex order. The Exchange understands market participants currently may enter a stop-limit order on the short leg of a complex order while managing the long leg separately. A stop-limit complex order will provide market participants with the ability to manage both the long and short legs simultaneously.

To establish stop-limit complex orders, the Exchange proposes to add “stop-limit complex order” in Rule 5.33(b) as a new instruction type that the System⁶ will accept as a

³ See Rule 1.1

⁴ See Rule 1.1, which states that a “limit order” is an order to buy or sell a stated number of option contracts at a specified price or better.

⁵ See Rule 5.6(c)

⁶ See Rule 1.1, which states that the term “System” means the Exchange’s hybrid trading platform that integrates electronic and open outcry trading of option contracts on the Exchange, and includes any connectivity to the foregoing trading platform that is administered by or on behalf of the Exchange, such as a communications hub.

complex order and “Market-Maker SBBO” as a new term in Rule 5.33(a). As a new type of complex order, a stop-limit complex order means a complex order to buy or sell, as the case may be, two or more different series in the same underlying equity security or index, which are the “legs” or “components” of the complex order, for the same account, occurring at or near the same time and for the purpose of executing a particular investment strategy with no more than the applicable number of legs. Stop-limit complex orders will become limit orders when certain trigger conditions are met, one of which involves Market-Maker quotes in the individual legs of a complex order. Therefore, the Exchange proposes to adopt the new term “Market-Maker SBBO” to mean the best bid and offer on the Exchange calculated using only appointed Market-Maker quotes in the individual legs of a complex order. The Exchange believes that the use of the Market-Maker SBBO is preferable because it insulates stop-limit complex orders from inappropriate triggering events that could otherwise be caused by including non-Market-Maker single-leg limit orders into the SBBO. Specifically, using the Market-Maker SBBO will help avoid cascading events where a customer enters a single-leg order with a limit price that is higher than the current best Market-Maker bid. Using the SBBO inclusive of single-leg customer orders could cause resting complex stop limit orders to trigger on SBBOs that are not reflective of liquidity provider price levels, which could harm complex stop limit customers. Further, the execution of the first stop-limit complex order(s) that are inappropriately triggered by inclusion of a non-Market-Maker order into the SBBO may in turn trigger a second investor’s stop limit order with a more aggressive stop price, and so on, thereby creating a cascading event of inappropriately-triggered customer stop-limit orders. The Exchange believes that limiting the trigger condition, as described below, to quotes from

Market-Makers will be more reflective of the market value and provide a more authentic market valuation to determine if a stop-limit complex order should be triggered.

A stop-limit complex order will become a limit order when either (i) the Market-Maker SBBO or a trade price for a trade that occurs in the same complex strategy is equal to or higher (lower) than the stop-limit price, or (ii) the same side bid (ask) of the underlying equity security or the underlying index level, as the case may be, is equal to or higher (lower) than the designated stop-limit price or if a complex trade price is equal to or higher (lower) than the stop-limit price. In other words, a complex-stop limit order is a conditional order that becomes a limit order when triggered by one of two conditions. Only one of the two possible trigger conditions can be designated for a stop-limit complex order. Stop-limit complex orders may not be designated for bulk messages or as orders Direct to PAR.⁷

To facilitate order processing for stop-limit complex orders, the Exchange proposes to establish SCOA as a new type of auction mechanism. The Exchange currently offers a variety of auction mechanisms which provide price improvement opportunities for eligible orders but only one type of auction mechanism for complex orders, Complex Order Auction (“COA”).⁸ The Exchange proposes SCOA as a second type of auction mechanism for complex orders, specifically stop-limit complex orders, that is similar to COA. Like COA, SCOA is intended to provide opportunities for price improvements, but it is also designed to maximize execution quantity, particularly given that one event may trigger multiple complex stop-limit orders. SCOA is the auction mechanism for stop-limit complex orders, and stop-

⁷ See Rule 5.6(b), which defines a “Direct to PAR” order as an order a User designates to be routed directly to a specified PAR workstation for manual handling. A PAR workstation is an Exchange-provided order management tool for use on the Exchange’s trading floor.

⁸⁸ See Rule 5.33.

limit complex orders are only eligible for SCOA processing (in other words, all triggered stop-limit complex orders will be processed in a SCOA). Consequently, Rule 5.33(b)(5)(A) is amended to state that a stop-limit complex order is not COA-eligible.

To add SCOA to Rule 5.33 as a new type of auction mechanism for stop-limit complex orders, the Exchange proposes to add the term “Stop Complex Order Auction” or “SCOA” as a new definition in Rule 5.33(a) and detail SCOA and SCOA processing in Rule 5.33(d). Rule 5.33(d) currently details COA and COA processing. Since both COA and SCOA are auction mechanisms for complex orders, the Exchange proposes to rename Rule 5.33(d) from “Complex Order Auctions (COAs)” to “Auction Types for Complex Orders” and relocate all existing COA provisions currently in Rule 5.33(d) to Rule 5.33(d)(1). Additionally, SCOA will utilize the same system functionality for order entry and messaging as COA. Consequently, the existing naming convention found in Rule 5.33 for order entry, including transaction ID, and auction messaging that currently reference COA (e.g. COA messages) is broadened by replacing the existing “COA” designation with “auction” throughout Rule 5.33. For example, instances of “COA messages” throughout Rule 5.33 are replaced with “auction messages” so as to apply to both COA and SCOA messages within Rule 5.33. Also, language in existing Rule 5.33(d)(3) - *Response Time Interval* is updated to Rule 5.33(d)(1)(C) - *Response Time Interval for COA* to clarify that occurrences of Response Time Interval in that subparagraph are applicable to COA whereas occurrences of Response Time Interval in new Rule 5.33(d)(2)(D) are applicable to SCOA.

The Exchange proposes to further amend Rule 5.33(d) by adding “*Stop Complex Order Auction (SCOAs)*” as the second action type of auction mechanism for complex orders, specifically (and solely) for stop-limit complex orders, as new subparagraph (d)(2). New Rule

5.33(d)(2)(A) establishes that a SCOA is triggered when the trigger condition designated for a stop-limit complex order has been met. There are two possible trigger conditions for a stop-limit complex order: the SBBO/trade price trigger condition and the underlying price trigger condition. However, only one of the two possible types of trigger conditions may apply to a stop-limit complex, and the trigger condition type is determined when a stop-limit complex order is submitted by the User.⁹ If no trigger condition type is designated when a stop-limit complex order is submitted, the default trigger condition will be applied, as described below.

For a stop-limit complex order with the SBBO/trade price trigger condition, the trigger condition is met when either (i) the same side Market-Maker SBBO is equal to or higher (lower) than the stop-limit price or (ii) a trade occurs in the same complex instrument at a price equal to or higher (lower) than the stop-limit price. The SBBO/trade price trigger condition will be the trigger condition for a SCOA if the SBBO/trade price trigger condition is designated as such when an order is submitted or if no trigger condition is designated at the time of order submission since the SBBO/trade price trigger condition functions as the default trigger condition. Stop-limit complex orders comprised of legs in different groups of series in a class that designate the SBBO/Trade Price trigger condition will only trigger a SCOA if a trade occurs at or better than the stop price. As an example, for stop-limit complex orders with both SPX and SPXW leg components that have the SBBO/Trade Price trigger condition, the SCOA will only trigger if a trade occurs at or better than the stop price.

For a stop-limit complex order with an underlying price designated as the trigger condition, the order must be submitted with instructions that designate the price threshold of

⁹ See Rule 1.1, which states that the term “User” means any TPH or Sponsored User who is authorized to obtain access to the System pursuant to Rule 5.5.

the underlying security or index as either (i) at or above the underlying price or index level or (ii) at or below the underlying price or index level. If the underlying security is an equity, the SCOA is triggered when the same side bid (ask) of the underlying security is equal to or higher (lower) than the designated stop-limit price or if a last-sale eligible trade price is equal to or higher (lower) than the stop-limit price. If the underlying security is an index, the SCOA is triggered when the underlying index level is equal to or higher (lower) than the designated threshold price. The price threshold must be designated at a price that is higher (lower) than the current value of the underlying security.

Once the trigger condition designated for a stop-limit complex order is met, a SCOA will be initiated, and the System will send an auction message to all subscribers that receive auction messages. An auction message will identify the auction ID, instrument ID, quantity, and side of the market of the stop-limit complex order. If a single stop-limit complex order is triggered, the SCOA starting auction price will be the less aggressive of the order's limit price or the opposite side SBBO. In addition to addressing a single stop-limit complex order, SCOA is an auction mechanism designed to effectively manage order handling in the event that multiple stop-limit complex orders with the same trigger event are elected simultaneously, which has been observed for simple complex orders. If multiple stop-limit complex orders in the same complex instrument are triggered by the same trigger event, such orders are bundled into the same SCOA, as stated in new Rule 5.33(d)(2)(B). For multiple stop-limit complex orders in the same SCOA with the same trigger event, the SCOA starting auction price will be the less aggressive of either the most aggressive limit price of the orders in the SCOA or the opposite side SBBO.

If multiple stop-limit complex orders are received for the same complex strategy but

with different trigger conditions, such orders will not be bundled into the same SCOA. Instead, multiple stop-limit complex orders in the same complex strategy but with different trigger events will be processed as separate SCOAs. SCOAs may process concurrently, and the System may initiate a SCOA in a complex strategy even though another SCOA in that complex strategy is ongoing.

Proposed Rule 5.33(b)(2)(D) defines “Response Time Interval” for SCOA as the period of time during which Users may submit responses to the auction message. The Exchange will establish the Response Time Intervals for SCOA on a class-by-class basis, and as provided in new Rule, the duration of the response time interval may not exceed 1000 milliseconds. Auction Responses to SCOA will be substantially similar to Auction Responses to COA, and consequently, the process of submitting Auction Responses for SCOA in Rule 5.33(b)(2)(E) is substantially similar to the process of submitting Auction Responses for COA in Rule 5.33(b)(1)(D). As is the case for COA, the Exchange will determine on a class-by-class basis if all Users are eligible to submit Auction Response(s) or if only Marker-Makers with an appointment in the class and TPHs acting as agent for orders resting at the top of the COB¹⁰ in the relevant complex strategy may submit Auction Response(s). An Auction Response must specify the price, size, side of the market and auction ID for the SCOA that the Auction Response is in response to. Auction Response(s) with a permissible Capacity in the applicable minimum increment during the Response Time Interval will be accepted by the System. Auction Responses may be for a quantity that is more than the SCOA order. The System will aggregate the size of Auction Responses submitted at the same price for an

¹⁰ See Rule 5.33(a), which defines “Complex Order Book” or “COB” as the Exchange’s electronic book of complex orders used for all trading sessions.

EFID¹¹ and cap the size of the aggregated Auction Responses at the size of the SCOA order. During the Response Time Interval, Auction Responses are not firm and can be modified or withdrawn at any time prior to the end of the Response Time Interval. However, any modified Auction Response will be given a new timestamp by the System, resulting in a loss of priority unless the modification was to decrease the size in the Auction Response. At the end of the Response Time Interval, Auction Responses are firm, and their price and size are guaranteed. Auction Responses are not displayed and may only execute against the SCOA order for which an Auction Response is submitted. The System will cancel or reject any unexecuted Auction Responses or unexecuted portions at the conclusion of the SCOA. In certain circumstances, the System will terminate a SCOA prior to end of the Response Time Interval.

Similar to COA¹², a SCOA may be terminated early if orders are received in a leg of the stop-limit complex order that would improve the SBBO on the same side as the SCOA order to a price better than the limit price of any of the orders in the SCOA. A SCOA may also be terminated early if an order is received in a leg of the stop-limit complex order that would join or improve the SBBO on the same side of the SCOA order to a price equal to the limit price of any of the orders in the SCOA and cause any component of the SBBO to be represented by a Priority Customer.¹³ In either case of early termination, the SCOA will be terminated by the System and any unexecuted orders resulting from the termination will be entered into the COB, if eligible, in accordance with new Rule 5.33(d)(2)(E)(iii).

¹¹ See Rule 1.1, which state that the term “EFID” means an Executing Firm ID.

¹² See existing Rule 5.33(d)(3)

¹³ See Rule 1.1 which states that the term “Priority Customer” means a person or entity that is a Public Customer and is not a Professional.

Since other orders received in a leg of the complex order may result in early termination of a SCOA as described above, the Exchange recognizes it is possible that market activity may be used to interfere with SCOA processing in a way that is contrary to just and equitable principles of trade in the markets. Consequently, the Exchange proposes to amend Interpretations and Policies .03 to Rule 5.33 to include SCOA so that if the Exchange identifies a pattern or practice of order submissions by a TPH that results in early termination of a SCOA(s) because such orders cause one of the conditions for early SCOA termination to be met, the actions of the TPH will be deemed conduct inconsistent with just and equitable principles of trade and a violation of Rule 8.1, as is currently the case for COA.

New Rule 5.33(d)(2)(F) establishes the processing of SCOA orders. Once the Response Time Interval has ended, the System will execute a SCOA order, in whole or in part, against complex contra-side interest by using an allocation algorithm that will allocate Auction Responses and unrelated orders resting in the COB to maximize executed volume. The SCOA allocation algorithm maximizes execution quantity while optimizing price-improvement opportunity for stop-limit complex order customers. The Exchange notes that SCOA does not allow legging because the SCOA allocation algorithm considers all available liquidity and has multiple rounds. The complexity is compounded if legging is included and is further compounded if any of the legging events trip risk control limits for the single-leg book participants (particularly for Market-Makers who rely heavily on risk controls). The Exchange notes if the SCOA orders aren't filled in the auction, then they will be added to the COB in sequence and individually eligible for legging at that point (as they are ultimately just complex limit orders at that point). If there are any unfilled order(s) in a SCOA after allocating Auction Responses and unrelated orders resting in the COB, the

System will use an iteration process to attempt to fill the remaining orders of the initial SCOA. Upon completion of the initial SCOA, unfilled order(s) will iterate through additional SCOA's at incrementally more aggressive starting prices, as stated in the Exchange's technical specifications, until all orders are filled, their limit price has been reached, or the current opposite side SBBO price has been used as the last auction start price. The System enters any unexecuted portion of a SCOA order that does not execute at the end of the SCOA iterations into the COB, if eligible for entry, and applies a timestamp based on the time it enters the COB. The System cancels or rejects any unexecuted portion of a SCOA order that does not execute at the end of the SCOA iterations if not eligible for entry into the COB, in accordance with the instructions for the stop-limit complex order.

The Exchange proposes additional amendments to Rule 5.33 to apply certain existing provisions of the rule to SCOA or add SCOA as an auction mechanism applicable to existing rule provisions. Specifically, the definition of "Regular Trading" in Rule 5.33(a) is amended to add SCOA to the existing COA reference, thereby excluding complex orders processed through COA or SCOA from the definition of regular trading since complex orders processed during the COA or SCOA process are not part of regular trading of complex orders. The Exchange also proposes to amend Rule 5.33(b) to add SCOA to references of COA since SCOA is treated in the same manner as COA regarding the Exchange's determination of terms and Capacities.¹⁴ The instruction type of Stock-Option Order as provided in Rule 5.33(b)(5) is amended to state that, like COA and other auction mechanisms, a nonconforming stock-option order is not eligible for SCOA processing. SCOA is added to COA references in Rule

¹⁴ See Rule 1.1 which states that "Capacity" means the capacity in which a User submits an order, such as an order for the account of a Market-Maker or Public Customer.

5.33(k) so that a SCOA will end if any component or underlying security of a SCOA order is halted.

The Exchange also proposes to add SCOA to Rules 5.21, 5.25, and 5.34 to include SCOA with COA references regarding order handling, message traffic mitigation, and protection mechanisms and risk controls for complex orders. Specifically, the Exchange proposes to amend Rule 5.21(b)(3) to remove language limiting response auctions for complex orders and add SCOA to electronic order handling during a limit up-limit down state. The proposed amendment to Rule 5.25(c) adds SCOA to the list of the Exchange's auction mechanisms, thereby applying the message traffic mitigation requirements for auction response processing to SCOA. The Exchange also proposes to amend Rule 5.34(b) and (c) to include SCOA with existing references to COA to extend existing order and quote price protection mechanisms and risk controls for complex order to SCOA communications and processing. Under proposed 5.34(c)(4)(B)(i), a User may specify whether volume or executions in SCOA, in addition to existing auction mechanisms named in the rule, will count toward the User's class, EFID, or EFID Group limit. Option volume resulting from SCOA processing may be excluded from certain risk monitor mechanism risk parameters, namely the volume parameter in Rule 5.34(c)(4)(A)(i) and the count parameter in Rule 5.34(c)(4)(A)(iii). Additionally, under proposed rule 5.34(c)(4)(F), SCOA is named as a type of complex order within the rule so that individual trades executed as part of a complex order response may be counted when determining that the volume, notional, count, or risk trips limit as well as percentage limit have been reached. Use of this functionality is optional, and a User may continue to include executions resulting from these exchange auctions in their risk parameters

The Exchange also proposes to make a grammatical correction to Rule 5.33(d)(1)(D) to update “appointed” to “appointment” when referencing the appointment of a Market-Maker.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the “Act”) and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.¹⁵ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹⁶ 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)¹⁷ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, the Exchange believes the proposed change would remove impediments to and perfect the mechanism of a free and open market and a national market system, and protect investors and the public interest by making available to investors a type of complex order that incorporates the functionality of a stop-limit order. A stop-limit

¹⁵ 15 U.S.C. 78f(b).

¹⁶ 15 U.S.C. 78f(b)(5).

¹⁷ Id.

complex order can effectively be used by a market participant to replace manual monitoring and management a market participant must currently engage in to gain the benefits of stop-limit functionality. Market participants may choose to execute a transaction once certain market conditions are met as a way to help manage and reduce the risk of extreme loss. Stop-limit complex orders provide investors an execution and risk management tool to execute transactions without the manual monitoring needed today. The addition of a stop-limit complex order gives market participants who wish to utilize this order type an automated way of monitoring for conditions in which they desire an execution to occur, thereby creating operational efficiencies for the market. The Exchange believes the proposed rules are appropriate in that complex orders are recognized by market participants as useful, both as an investment and a risk management strategy, and adding stop-limit order functionality to complex orders provides even greater utility. The proposed rules will provide an efficient mechanism for carrying out investor strategies.

The Exchange also believes auctioning triggered stop-limit complex orders through a SCOA will provide those orders with additional opportunities for price improvement and executions, particularly given that multiple stop-limit complex orders may be triggered by the same event. SCOA is necessary as a new auction mechanism to accommodate stop-limit complex order auctions because SCOA functionality that bundles multiple orders is unique to the SCOA auction mechanism. The Exchange believes that when multiple stop-limit complex orders are triggered by the same event, bundling into a single SCOA will have better execution outcomes than processing multiple individual orders in separate auctions. Pursuant to the proposed trigger process, the System will initiate the SCOA process for all stop-limit complex orders once designated conditions are met. Through the

SCOA process, the Exchange intends to allocate resting interest against auctioned stop-limit orders to maximize executed volume, thereby filling stop-limit complex orders to the extent possible based on the auction responses received for the SCOA and resting interest in the COB. The Exchange believes this allocation method will benefit investors because it will result in execution of as many contracts of the auctioned order(s) as possible. The Exchange believes that the proposal to initiate a SCOA once the designated trigger condition for a stop-limit complex order has been met removes impediments to, and perfects the mechanisms of, a free and open market and a national market system and, in general, protects investors and the public interest because the Exchange will initiate a SCOA for a stop-limit complex order in accordance with the user's instructions. Additionally, through the SCOA functionality that bundles multiple stop-limit complex orders with the same trigger condition into the same SCOA, SCOA processing will pursue price improvement through its allocation algorithm that is designed to maximize execution quantity while optimizing price-improvement opportunity for customers. The proposed execution of SCOA orders following the conclusion of a SCOA is consistent with general principles of customer priority and protects the leg markets. While SCOA orders may execute against complex contra-side interest only, the prices of these executions must improve the SBBO if there is a Priority Customer representing any leg on the Simple Book as required by Rule 5.33(f)(2)(A)(iv). The proposed stop-limit complex order rules also promote equal access by providing recipients of the Exchange's data feeds that include auction notifications with the opportunity to interact with orders in a SCOA.

The Exchange again notes that the communication functionality for SCOA is the same as the existing functionality for COA, providing Users with the ability to place a stop-

limit complex order if they so choose. When utilizing a stop-limit complex order, Users also have the choice to select the trigger condition for the order. Market participants who wish to place a stop-limit complex order have the flexibility to choose one of two types of trigger conditions which, if met, would execute the stop-limit complex order for SCOA processing. The trigger conditions rely on certain option or underlying prices, or index levels. The Exchange believes it is appropriate to use the Market-Maker SBBO for one of the trigger conditions because it will help insulate a stop-limit complex order from being triggered by an inappropriate trigger event (such as one or more customer orders placed at an extreme price) that could otherwise be caused by including non-Market-Maker limit orders into the SBBO. Use of the Market-Maker SBBO as a triggering condition is intended to help avoid cascading triggering events that could result from customer stop-limit complex orders with limit prices that are not necessarily reflective of market valuation. Use of the Market-maker SBBO will help support greater market stability and execution and provides certain protections to market participants who wish to utilize stop-limit complex orders. The Exchange believes the proposed changes to add stop-limit complex orders and SCOA are not unfairly discriminatory, as the abilities to place a stop-limit order and respond to a SCOA auction message are generally available to all Users. The proposed rule change provides the Exchange with the authority to determine if all Users or only Market-Makers and certain TPHs may respond to auction messages in alignment with Exchange authority for responses to auction messages for COA,¹⁸ and the Exchange believes is appropriate to limit responses to Market-Makers and certain TPHs if it is necessary to incentivize those Market-Makers or TPHs to provide liquidity and further

¹⁸ See Rule 5.33(d)(1)(D).

encourage competition. If the Exchange were to limit responses to only Market-Makers and designated TPHs, the Exchange would do so to encourage more competitive responses because such responses will have a greater likelihood of fulfillment in larger quantities when such responses are at more competitive prices.

Additionally, regarding risk controls and price protection mechanisms, the Exchange believes the proposed change would remove impediments to and perfect the mechanism of a free and open market and a national market system, and protect investors and the public interest by providing market participants with enhanced abilities to manage their risk with respect to stop-limit complex orders on the Exchange. The Exchange believes that the proposed rule change will protect investors and the public interest because the proposed extension of reasonability checks and the inclusion of SCOA processing with drill-through protection as a risk monitoring mechanism will assist Users in minimizing their risk exposure, thereby reducing the potential for disruptive, market-wide events. The Exchange also notes that the proposed amendment to Rule 5.33(k) to cancel or reject all auction responses to a SCOA in the event that any component or underlying security to a stop-limit complex order is halted provides an additional layer of protection to market participants by eliminating SCOA processing when trading in underlying securities is not available. SCOA will function in a similar manner as COA with respect to these protection and risk mechanisms, as well as trading halts, and the proposed amendments are consistent with Cboe Rules as applicable to COA.

Proposed amendments to Rules 5.34(b) and (c) specifically include SCOA with safeguards that exist for COA. The Exchange believes the proposed change to include SCOA in the auction mechanism types that allow Users to specify whether volume

or executions in the various named auction mechanisms will count toward the User's class, EFID, or EFID Group limit is reasonable because orders executed through these auction mechanisms are subject to different protections, such as price improvement requirements, as compared to other order types. As a result, these orders have different risk considerations. The Exchange notes that this functionality is optional, and Users may continue to include executions resulting from these exchange auctions in their risk parameters (as is the case today) if they prefer. Additionally, the Exchange believes the proposed changes are not unfairly discriminatory, as the risk controls and protection mechanisms that will be applied to SCOA are currently available for other auction types. Additionally, the risk controls and protection mechanisms are available to all Users and applied uniformly to all Users who may choose to utilize enhanced risk parameter settings.

Last, the Exchange believes correcting a grammatical error by replacing "appointed" with "appointment" in Rule 5.33(d)(1)(D) will eliminate confusion in this provision of the rule.

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 proposed rule change is intended to provide market participants with new voluntary functionality to automate a manual monitoring process to determine when to execute an order in the event that a specific condition has been met. The Exchange does not believe that the proposed rule change will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act, because stop-limit complex orders will be available to all Users and processed in the same manner. A stop-limit complex order is a type of complex order that is intended to achieve

the execution of a complex order that Users can achieve today through manual monitoring and order submissions. Stop-limit complex orders offer market participants an automated alternative to this manual process. The proposed rule change provides all Users with the ability to submit a stop-limit complex order, which will be processed through SCOA once the trigger condition for the order has been met. Use of a stop-limit complex order (as well as the trigger condition) will be voluntary and within the discretion of a User, and a User may continue to manage complex orders to achieve an execution of a complex order under certain conditions in the same manner they do today. Additionally, SCOA messaging for an order will be sent to all Users who are recipients of auction messaging data, and all Users generally may submit responses to the auction if they so choose.

The Exchange does not believe the proposed rule change will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act, as the proposed rule changes apply only to a permissible User order instruction regarding how the Exchange will handle and then execute an order. Stop-limit complex orders extend functionality that is available today on the Exchange in stop-limit orders for simple orders to complex orders, and SCOA will utilize certain COA functionality that is currently used on the Exchange. Additionally, to the extent that the proposed changes may make the Exchange a more attractive trading venue for market participants on other exchanges, such market participants may elect to become Exchange market participants.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

The Exchange neither solicited nor received written 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-CBOE-2026-024 on the subject line.

Paper Comments:

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

All submissions should refer to file number SR-CBOE-2026-024. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission

will post all comments on the Commission's internet website (<https://www.sec.gov/rules/sro.shtml>). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-CBOE-2026-024 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.¹⁹

Sherry R. Haywood,

Assistant Secretary.

¹⁹ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

(additions are underlined; deletions are [bracketed])

* * * * *

Rules of Cboe Exchange, Inc.

* * * * *

Rule 5.21. Equity Market Plan to Address Extraordinary Market Volatility

The Exchange shall modify option order processing during a limit up-limit down state. For purposes of this rule, a “limit up-limit down state” shall mean the period of time when the underlying security of an option enters a limit or straddle state as defined in the Regulation NMS Plan to Address Extraordinary Market Volatility (the “Limit Up-Limit Down Plan” or the “Plan”).

(a) No changes.

(b) Order Handling. The following electronic order handling features shall operate differently during a limit up-limit down state:

(1) - (2) No changes.

(3) Complex Order Request for Responses Auction. Refer to Rule 5.33 for a description of how a complex order request for responses auction ([referred] applicable to [as] “COA” and SCOA) will operate during a limit up-limit down state.

(4) No changes.

(c) - (d) No changes.

* * * * *

Rule 5.25. Message Traffic Mitigation

To mitigate message traffic, based on the Exchange’s traffic with respect to target traffic levels and in accordance with the Exchange’s overall objective of reducing both peak and overall traffic:

(a) - (b) No changes.

(c) Auction Response Processing. At the conclusion of an auction response or exposure period, the System will continue to process any messages in its inbound queue that were received by the System before the end of the auction response or exposure period, as identified by each message’s timestamp, for up to an Exchange-determined period of time on a class-by-class basis.

This Exchange-determined period of time may not exceed 100 milliseconds; however, with respect to non-FLEX SPX options, this Exchange-determined period of time plus the length of the auction response or exposure period, as applicable, may not exceed 1000 (until June 30, 2026). The Exchange will announce the length of this Exchange-determined period with reasonable advance notice via Exchange Notice. An auction will execute once all messages, including auction responses, received before the end of the auction response or exposure period have been processed or the Exchange determined time limit pursuant to this subparagraph has elapsed, whichever occurs first. This subparagraph applies to all of the Exchange’s auction mechanisms (i.e., Complex Order Auction (“COA”), Stop Complex Order Auction (“SCOA”) Step Up Mechanism (“SUM”), Automated Improvement Mechanism (“AIM”), Complex AIM (“C-AIM”), Solicitation Auction Mechanism (“SAM”), Complex SAM (“C-SAM”), FLEX Auction Process, FLEX AIM and FLEX SAM)

* * * * *

Rule 5.33. Complex Orders

Trading of complex orders (as defined in Rule 1.1) is subject to all other Rules applicable to the trading of orders, unless otherwise provided in this Rule 5.33.

(a) Definitions. For purposes of this Rule 5.33, the following terms have the meanings below. A term defined elsewhere in the Rules has the same meaning with respect to this Rule 5.33, unless otherwise defined below.

* * * * *

Auction Response

The term “Auction Response” means a response to a buy(sell) COA or SCOA.

* * * * *

Market-Maker SBBO

The term “Market-Maker SBBO” means the best bid and offer on the Exchange calculated using only appointed Market-Maker quotes in the individual legs of a complex order.

* * * * *

Regular Trading

The term “regular trading” means trading of complex orders that occurs during a trading session other than: (1) at the opening of the COB or re-opening of the COB for trading following a halt (described in paragraph (c) below) or (2) during the COA and SCOA processes (described in paragraph (d) below).

* * * * *

Stop Complex Order Auction

A “Stop Complex Order Auction” or “SCOA” means a type of auction for a stop-limit complex order that is electronic only and as set forth in paragraph (d) below.

* * * * *

(b) *Types of Complex Orders.* Complex orders are available in all classes listed for trading on the Exchange. Complex orders may be market or limit orders.

(1) The Exchange determines which Times-in-Force of Day, GTC, GTD, IOC, or OPG as such terms are defined in Rule 5.6(d) are available for complex orders (including for eligibility to enter the COB and initiate a COA or SCOA), subject to restrictions set forth in Rule 5.5(c)(3) with respect to bulk messages and complex orders submitted through bulk ports.

(2) The Exchange determines which Capacities are eligible for COA, SCOA, or for entry into the COB. Complex orders submitted to the Exchange with Capacities not eligible for COA, SCOA or entry into the COB route to PAR for manual handling or are cancelled, subject to a User’s instructions. In a class in which the Exchange determines complex orders with Capacity M or N are not eligible for entry into the COB, the Exchange may determine that a complex order with Capacity M or N may enter the COB:

(A) in complex strategies designated by the Exchange or

(B) if:

(i) the complex order is on the opposite side of (a) a Priority Customer complex order(s) resting in the COB with a price not outside the SNBBO; or (b) orders on the same side of the market in the same complex strategy that initiated a COA(s) or SCOA(s) if there are “x” number of COAs or SCOA(s) within “y” milliseconds, counted on a rolling basis (the Exchange determines the number “x” (which must be at least two) and the time period “y” (which may be no more than 2,000); and

(ii) No changes.

(3) – (4) No changes.

(5) The System also accepts the following instructions for complex orders:

* * * * *

COA-Eligible and Do-Not-COA

(A) COA-Eligible. A “COA-eligible” complex order is a buy (sell) complex order with User instructions to (or which default to) initiate a COA that is priced (i) equal to or higher (lower) than the SBB (SBO) (provided that if any of the bids or offers on the Simple Book that comprise the SBB (SBO) is represented by a Priority Customer order, the complex order must be priced at least one minimum increment higher (lower) than the SBB (SBO) and (ii) higher (lower) than the price of buy (sell) complex orders resting at the top of the COB. A complex bid or offer submitted in a bulk message is not COA-eligible. A stop-limit complex order is not COA-eligible.

(B) No changes.

(C) Default Instructions.

(i) – (iii) No changes.

(iv) An incoming AON complex order initiates a COA, and if a User marks an AON complex order to not initiate a COA, or an AON complex order does not satisfy the COA eligibility criteria in subparagraph (d)(1)(A) below, the System cancels the AON complex order.

* * * * *

Stock-Option Order

A “stock-option order” is the purchase or sale of a stated number of units of an underlying stock or a security convertible into the underlying stock (“convertible security”) coupled with the purchase or sale of an option contract(s) on the opposite side of the market representing either (i) the same number of units of the underlying stock or convertible security or (ii) the number of units of the underlying stock necessary to create a delta neutral position. In classes determined by the Exchange, a nonconforming stock-option order, is not eligible for electronic processing, including COA, SCOA, COB, C-AIM, and C-SAM. Only those stock-option orders in the classes designated by the Exchange with no more than the applicable number of legs are eligible for processing. Stock-option orders execute in the same manner as other complex orders, except as otherwise specified in this Rule.

Stop-Limit Complex Order

A “stop-limit complex order” is a complex order that becomes a limit order when, for the complex strategy of that order, either (i) the Market-Maker SBBO or trade price as described in subparagraph (d)(2)(A)(i) below is equal to or higher (lower) than the stop-limit price, or (ii) if designated by the User, the same side bid (ask) of the underlying equity security or the underlying index level, as applicable, is equal to or higher (lower) than the designated stop-limit price or if a trade price is equal to or higher (lower) than the stop-limit price. A User may not designate a stop-limit complex order as All Sessions

or RTH and Curb. A User may not designate bulk messages as stop-limit complex orders. A User may not designate a stop-limit complex order as Direct to PAR.

(c) No changes.

(d) [Complex Order] Auction[s (COAs)] Types for Complex Orders.

(1) Complex Order Auctions (COAs).

(A) Commencement of COA. Upon receipt of a COA-eligible order in any class, the System initiates the COA process by sending an [COA] auction message to all subscribers to the Exchange's data feeds that deliver [COA] auction messages. An [COA] auction message identifies the [COA] auction ID, instrument ID (i.e., complex strategy), quantity, and side of the market of the COA-eligible order. The Exchange may also determine to include in [COA] auction messages the Capacity and/or the price, which is [(A)] (1) the limit order price, [(B)] (2) the SBO (SBB) (if initiated by a buy (sell) market complex order), or [(C)] (3) the drill-through price if the order is subject to the drill-through protection in Rule 5.34(b).

[(2)] (B) Concurrent COAs. The System may initiate a COA in a complex strategy even though another COA in that complex strategy is ongoing.

[(A)] (i) If there are multiple COAs ongoing for a specific complex strategy, each COA concludes sequentially based on the time each COA commenced, unless terminated early pursuant to subparagraph (d)(1)(C)[(3)] below. At the time each COA concludes, the System allocates the COA-eligible order pursuant to this Rule and takes into account all [COA] Auction Responses for that COA, orders resting in the Simple Book, and unrelated complex orders resting in the COB at the time the COA concludes.

[(B)] (ii) If there are multiple COAs ongoing for a specific complex strategy that are each terminated early pursuant to subparagraph (d)(1)(C)[(3)] below, the System processes the COAs sequentially based on the order in which they commenced.

[(C)] (iii) If an [COA] Auction Response is not fully executed at the end of the identified COA to which the [COA] Auction Response was submitted, the System cancels or rejects the [COA] Auction Response (or unexecuted portion) at the conclusion of the specified COA.

[(3)] (C) Response Time Interval for COA. The "Response Time Interval" for COA means the period of time during which Users may submit responses to the [COA] auction message [{"COA Responses"}]. The Exchange determines the duration of the Response Time Interval on a class-by-class basis, which may not

exceed 1000 milliseconds. However, the Response Time Interval terminates prior to the end of that time duration:

[(A)] (i) when the System receives a non-COA-eligible order on the same side as the COA eligible order that initiated the COA but with a price better than the COA price, in which case the System terminates the COA and processes the COA-eligible order pursuant to subparagraph ([5]E) below and enters the new order in the COB;

[(B)] (ii) when the System receives an order in a leg of the complex order that would improve the SBBO on the same side as the COA-eligible order that initiated the COA to a price better than the COA price, in which case the System terminates the COA and processes the COA-eligible order pursuant to subparagraph ([5]E) below, enters the new order in the Simple Book, and updates the SBBO; or

[(C)] (iii) if the System receives an order in a leg of the complex order that would join or improve the SBBO on the same side as the COA-eligible order that initiated the COA to a price equal to the COA price and cause any component of the SBBO to be represented by a Priority Customer, in which case the System terminates the COA and processes the COA-eligible order pursuant to subparagraph ([5]E) below, enters the new order in the Simple Book, and updates the SBBO.

[(4)] (D) [COA] Auction Response for COA. The Exchange determines on a class-by-class basis whether [(A)] (1) all Users or [(B)] (2) Market-Makers with an appointment [appointed] in the class and TPHs acting as agent for orders resting at the top of the COB in the relevant complex strategy may submit [COA] Auction Response(s) during the Response Time Interval. The System accepts an [COA] Auction Response(s) with a permissible Capacity in the applicable minimum increment during the Response Time Interval.

[(A)] (i) An [COA] Auction Response must specify the price, size, side of the market (i.e., a response to a buy COA as a sell or a response to a sell COA as a buy), and [COA] auction ID for the COA to which the User is submitting the [COA] Auction Response.

[(B)] (ii) [COA] Auction Responses may be larger than the COA-eligible order. The System aggregates the size of [COA] Auction Responses submitted at the same price for an EFID and caps the size of the aggregated [COA] Auction Responses at the size of the COA-eligible order.

[(C)] (iii) During the Response Time Interval, [COA] Auction Responses are not firm, and Users can modify or withdraw them at any time prior to the end of the Response Time Interval, although the System applies a new

timestamp to any modified [COA] Auction Response (unless the modification was to decrease its size), which results in loss of priority. At the end of the Response Time Interval, [COA] Auction Responses are firm (i.e., guaranteed at their price and size).

[(D)] (iv) The Exchange does not display [COA] Auction Responses.

[(E)] (v) An [COA] Auction Response may only execute against the COA-eligible order for the COA to which a User submitted the [COA] Auction Response.

[(F)] (vi) The System cancels or rejects any unexecuted [COA] Auction Responses (or unexecuted portions) at the conclusion of the COA.

[(5)] (E) *Processing of COA-Eligible Orders.*

[(A)] (i) At the end of the Response Time Interval, the System executes a COA-eligible order (in whole or in part) against contra-side interest in price priority. If there is contra-side interest at the same price, the System allocates the contra-side interest as follows:

[(i)] (a) Priority Customer orders resting in the Simple Book for the individual leg components of the complex order through Legging (subject to paragraph (g)) in time priority;

[(ii)] (b) [COA] Auction Responses and unrelated orders resting in the COB, which the System allocates in accordance with the allocation algorithm applicable to the class or another allocation algorithm from Rule 5.32, as determined by the Exchange on a class-by-class basis; and

[(iii)] (c) remaining orders resting in the Simple Book for the individual leg components of the complex order through Legging (subject to paragraph (g)), which the System allocates in accordance with the base allocation algorithm applicable to the class pursuant to Rule 5.32(b).

Notwithstanding the foregoing, at the conclusion of a COA of an AON complex order, the AON complex order may only execute against [COA] Auction Responses and unrelated orders resting in the COB in price-time priority if there is sufficient size to satisfy the AON complex order (and may not execute against orders resting in the Simple Book). If there is insufficient size to satisfy the AON complex order, the System routes the order to PAR for manual handling or cancels the order, subject to a User's instructions.

[(B)] (ii) The System enters any COA-eligible order (or unexecuted portion) that does not execute at the end of the COA into the COB (if eligible for entry) and applies a timestamp based on the time it enters the COB. The System ([i]a) routes to PAR for manual handling or ([ii]b) cancels or rejects any COA-eligible order (or unexecuted portion) that does not execute at the end of the COA if not eligible for entry into the COB, subject to the User's instructions. Complex orders resting in the COB may execute pursuant to paragraph (e) following evaluation pursuant to paragraph (i) and remain in the COB until they execute or are cancelled or rejected.

(2) Stop Complex Order Auctions (SCOAs).

(A) Commencement of SCOAs. Upon triggering a stop-limit complex order in any class, the System initiates the SCOAs process by sending an auction message to all subscribers to the Exchange's data feeds that deliver auction messages. An auction message will identify the auction ID, instrument ID (i.e., complex strategy), quantity, and side of the market of the stop-limit complex order. The Exchange may also determine to include in auction messages the Capacity and/or the price, which is (1) the limit order price, (2) the SBO (SBB) (if initiated by a buy (sell) market complex order), or (3) the drill-through price if the order is subject to the drill-through protection in Rule 5.34(b). A SCOAs may be initiated by the occurrence of one of two trigger conditions that may be designated for the stop-limit complex order.

(i) SBBO/Trade Price Trigger Condition; Default. If a User instruction designates the SBBO trigger condition or if no user instruction for trigger condition designation is provided for the stop-limit complex order, a complex order to buy (sell) will initiate a SCOAs when (a) the same side Market-Maker SBBO is equal to or higher (lower) than the stop-limit price, or (b) a complex trade occurs at a price equal to or higher (lower) than the stop-limit price. Stop-limit complex orders comprised of legs in different groups of series in a class that designate the SBBO/Trade Price trigger condition will only trigger a SCOAs if a trade occurs at or better than the stop price.

(ii) Underlying Price Trigger Condition. If a User instruction designates an underlying price trigger condition for the stop-limit complex order, the User will designate a price threshold of the underlying equity security or index as either (a) at or above the underlying price or index level or (b) at or below the underlying price or index level. If the underlying is an equity security, a stop-limit complex order will initiate a SCOAs when the same side bid (ask) of the underlying security is equal to or higher (lower) than the designated stop-limit price or if a last-sale eligible trade price is equal to or higher (lower) than the stop-limit price. If such underlying is an index, a stop-limit complex order will initiate a SCOAs when the underlying index level is equal to or higher (lower) than the designated

threshold price. The price threshold must be designated at a price that is higher (lower) than the then-current price of the underlying security or then-current value of the underlying index.

(B) *SCOA with Multiple Orders.* Multiple stop-limit complex orders in the same complex strategy that are triggered by the same event will be bundled together in the same SCOA.

(C) *Concurrent SCOAs.* Multiple stop-limit complex orders in the same complex strategy but with different trigger events will be processed as separate SCOAs. The System may initiate a SCOA in a complex strategy even though another SCOA in that complex strategy is ongoing. Each separate SCOA will be processed pursuant to this Rule, independent of any other concurrent SCOA.

(D) *Response Time Interval for SCOA.* The “Response Time Interval” for SCOA means the period of time during which Users may submit responses to the auction message. The Exchange determines the duration of the Response Time Interval on a class-by-class basis, which may not exceed 1000 milliseconds. The System will terminate the SCOA prior to end of the Response Time Interval if:

(i) the System receives an order in a leg of a stop-limit complex order that would improve the SBBO on the same side as the SCOA order that initiated the SCOA to a price better than the limit price of any of the orders in the SCOA, in which case the System terminates the SCOA and processes the SCOA order pursuant to subparagraph (d)(2)(F)(iii) below, or

(ii) the System receives an order in a leg of the stop-limit complex order that would join or improve the SBBO on the same side as the SCOA order that initiated the SCOA to a price equal to the limit price of any of the orders in the SCOA and cause any component of the SBBO to be represented by a Priority Customer, in which case the System terminates the COA and processes the SCOA order pursuant to subparagraph (d)(2)(F)(iii) below.

(E) *Auction Responses for SCOA.* The Exchange determines on a class-by-class basis whether (1) all Users or (2) Market-Makers with an appointment in the class and TPHs acting as agent for orders resting at the top of the COB in the relevant complex strategy may submit Auction Response(s) during the Response Time Interval. The System accepts an Auction Response(s) with a permissible Capacity in the applicable minimum increment during the Response Time Interval.

(i) An Auction Response must specify the price, size, side of the market (i.e., a response to a buy SCOA as a sell or a response to a sell SCOA as a buy), and auction ID for the SCOA to which the User is submitting the Auction Response.

(ii) Auction Responses may be larger than the SCOA order. The System aggregates the size of Auction Responses submitted at the same price for an EFID and caps the size of the aggregated Auction Responses at the size of the SCOA order.

(iii) During the Response Time Interval, Auction Responses are not firm, and Users can modify or withdraw them at any time prior to the end of the Response Time Interval, although the System applies a new timestamp to any modified Auction Response (unless the modification was to decrease its size), which results in loss of priority. At the end of the Response Time Interval, Auction Responses are firm (i.e., guaranteed at their price and size).

(iv) The Exchange does not display Auction Responses.

(v) An Auction Response may only execute against the SCOA order for the SCOA to which a User submitted the Auction Response.

(vi) The System cancels or rejects any unexecuted Auction Responses (or unexecuted portions) at the conclusion of the SCOA.

(F) Processing of SCOA Orders.

(i) At the end of the Response Time Interval, the System executes a SCOA order (in whole or in part) against complex contra-side interest. The System allocates Auction Responses and unrelated orders resting in the COB against the SCOA order in a manner that executes the largest number of contracts (i.e., the volume-maximizing).

(ii) Upon completion of the initial SCOA, any unfilled order(s) will iterate through additional SCOA's at incrementally more aggressive starting prices, as identified in the Exchange's technical specifications, until all orders are filled, the limit price has been reached, or the then-current opposite side SBBO price has been used as the last auction start price.

(iii) The System enters any SCOA order (or unexecuted portion) that does not execute at the end of the SCOA iterations into the COB (if eligible for entry) and applies a timestamp based on the time it enters the COB. The System cancels or rejects any SCOA order (or unexecuted portion) that does not execute at the end of the SCOA if not eligible for entry into the COB, subject to the User's instructions. Complex orders resting in the COB may execute pursuant to paragraph (e) following evaluation pursuant to paragraph (i) and remain in the COB until they execute or are cancelled or rejected.

(e) *Processing of Do-Not-COA Orders/Orders Resting in the COB.* Upon receipt of a do-not-COA order, or if the System determines an order resting in the COB is eligible for execution following evaluation pursuant to paragraph (i), the System executes it (in whole or in part) against contra-side interest in price priority. If there is contra-side interest at the same price, the System allocates the contra-side interest as follows:

(1) No Changes.

(2) unrelated orders resting in the COB, which the System allocates in accordance with the allocation algorithm set forth in subparagraph (d)(1)(E)(i)(b)[(5)(A)(ii)] above; and

(3) No Changes.

* * * * *

(f) No changes.

(g) *Legging.* A complex order may execute against orders and quotes resting in the Simple Book pursuant to subparagraphs (d)(1)(E)(i)[(5)(A)] and (e) if it can execute in full or in a permissible ratio and if it has no more than a maximum number of legs (which the Exchange determines on a class-by-class basis and may be up to 16) (“Legging”), subject to the following restrictions:

(1) – (7) No changes.

(h) - (i) No changes.

(j) *Limit Up-Limit Down State.*

(1) No changes.

(2) If during a COA of a market order the underlying security enters a Limit State or Straddle State, the System terminates the COA without trading and cancels or rejects all [COA] Auction Responses.

(3) No changes.

(k) *Trading Halts.*

(1) No changes.

(2) Halts During a COA or SCOA. If, during a COA or SCOA, any component(s) and/or the underlying security of a COA-eligible or SCOA order is halted, the COA or SCOA ends early without trading, and the System cancels or rejects all [COA] Auction

Responses. The System enters remaining complex orders in the COB (if eligible for entry) or cancels remaining complex orders, subject to a User's instructions.

(3) No changes.

(l) *Stock-Option Orders*. Stock-option orders execute in the same manner as other complex orders pursuant to this Rule, except as follows:

(1) No changes.

(2) *Execution*. A stock-option order may execute against other stock-option orders (or [COA] Auction Responses, if applicable), but may not execute against orders in the Simple Book. A stock option order may only execute if the price complies with subparagraph (f)(2)(B) above.

(A) *Execution of Option Component*. If a stock-option order can execute upon entry or following a COA, or if it can execute following evaluation while resting in the COB pursuant to paragraph (i), the System executes the option component (which may consist of one or more option legs) of a stock-option order against the option component of other stock-option orders resting in the COB or [COA] Auction Responses pursuant to the allocation algorithm applicable to the class pursuant to subparagraph (d)(1)(E)(i)(b)[(5)(A)(ii)] above, as applicable, but does not immediately send the User a trade execution report, and then automatically communicates the stock component to the designated broker-dealer for execution at a stock trading venue.

(B) No changes.

(3) No changes.

(m) - (n) No changes.

Interpretations and Policies

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.03 Early Termination of COAs and SCOAs. A pattern or practice of submitting orders that cause a COA or SCOA to conclude early will be deemed conduct inconsistent with just and equitable principles of trade and a violation of Rule 8.1.

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Rule 5.34. Order and Quote Price Protection Mechanisms and Risk Controls

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(b) *Complex Orders*

(1) – (2) No changes.

(3) *Debit/Credit Price Reasonability Checks.*

(A) – (C) No changes.

(D) This check applies to [COA] Auction Responses to COA and SCOA in the same manner as it does to orders.

(4) *Buy Strategy Parameters.*

(A) – (B) No changes.

(5) *Maximum Value Acceptable Price Range.* The System cancels or rejects an order that is a vertical, true butterfly, or box spread and is a limit order with, or a market order that would execute at, a price that is outside of an acceptable price range, set by the minimum and maximum possible value of the spread, subject to an additional buffer amount (which the Exchange determines).

(A) - (B) No changes.

(C) This check applies to [COA] Auction Responses to COA and SCOA in the same manner as it does to orders.

(6) *Drill-Through Protection.*

(A) If a User enters a buy (sell) complex order into the System, the System executes the order pursuant to Rule 5.33(e) up to a buffer amount above (below) the SNBO (SNBB) that existed at the time of order entry (the “drill-through price”), or initiates a COA or SCOA at the drill-through price if the order would initiate a COA or SCOA pursuant to Rule 5.33(d). The Exchange determines a default buffer amount on a class-by-class 295 basis; however, a User may establish a higher or lower amount than the Exchange default amount.

(B) No changes.

(c) *All Orders.*

(1) – (3) No changes.

(4) *Risk Monitor Mechanism.* If a User enables this functionality:

(A) No changes.

(B) For volume and count limits established under subparagraph (A)(i) and (iii), a User may:

(i) specify whether volume or executions in AIM, C-AIM, SAM, C-SAM, SUM, SCOA and COA auctions count toward the User's class, EFID, or EFID Group limit (on both an interval or absolute basis); or

(ii) No Changes.

(C) No Changes.

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(F) *Complex Orders*. The System counts individual trades executed as part of a complex order (or COA or SCOA response) when determining whether the volume, notional, count, or risk trips limit has been reached. The System counts the percentage executed of a complex order (or COA or SCOA response) when determining whether the percentage limit has been reached.

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