

Required fields are shown with yellow backgrounds and asterisks.

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

File No. * SR 2026 - * 037

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 its rules to permit the listing of A.M. settled options on the S&P 500 Index.

Contact Information

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

First Name * Sarah Last Name * Williams

Title * Senior Counsel

E-mail * swilliams@cboe.com

Telephone * (224) 461-6793 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 04/14/2026 (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: 2026.04.14
13:10:01 -05'00'

Required fields are shown with yellow backgrounds and astericks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information *

Add Remove View

26-037 (Weekly, EOM AM-Settled SP)

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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26-037 (Weekly, EOM AM-Settled SP)

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

26-037 (Weekly, EOM AM-Settled SP)

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 its rules to permit the listing of A.M.-settled options on the S&P 500 Index (“SPX” or “SPX options”) that expire (1) on any Monday, Tuesday, Wednesday, Thursday, or Friday (other than the third Friday-of-the-month or days that coincide with an end-of-month expiration) and (2) the last trading day of the month. The text of the proposed rule change is provided in Exhibit 5.

(b) Not applicable.

(c) Not applicable.

Item 2. Procedures of the Self-Regulatory Organization

(a) The Exchange’s President (or designee) pursuant to delegated authority approved the proposed rule change on April 14, 2026.

(b) Please refer questions and comments on the proposed rule change to Pat Sexton, Executive Vice President, General Counsel, and Corporate Secretary, (312) 786-7467, or Sarah Williams, (224) 461-6793, Cboe Exchange, Inc., 433 West Van Buren Street, Chicago, Illinois 60607.

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

(a) Purpose

The Exchange proposes to amend its rules to permit the listing of A.M.-settled SPX options that expire (1) on any Monday, Tuesday, Wednesday, Thursday, or Friday (other than the third Friday-of-the-month or days that coincide with an end-of-month expiration) (“A.M.-Settled Weekly Expirations”) and (2) on the last trading day of the month (“EOMs” or “EOM Expirations”).

Background

Historical context

By way of background, when cash-settled¹ index options were first introduced in the 1980s, settlement was based on the closing value of the underlying index on the option's expiration date. The Commission later became concerned about the impact of P.M.-settled, cash-settled index options on the markets for the underlying stocks at the close on expiration Fridays. Specifically, certain episodes of price reversals around the close on quarterly expiration dates attracted the attention of regulators to the possibility that the simultaneous expiration of index futures, futures options, and options might be inducing abnormal volatility in the index value around the close.² Academic research at the time provided at least some evidence suggesting that futures and options expirations contributed to excess volatility and reversals around the close on those days.³ In light of the concerns with P.M. settlement and to help ameliorate the price effects associated with expirations of P.M.-settled, cash-settled index products, in 1987, the Commodity Futures Trading Commission ("CFTC") approved a rule change by the Chicago Mercantile Exchange ("CME") to provide for A.M. settlement⁴ for

¹ The seller of a "cash-settled" index option pays out the cash value of the applicable index on expiration or exercise. A "physically settled" option, like equity and ETF options, involves the transfer of the underlying asset rather than cash. See Characteristics and Risks of Standardized Options, available at: <https://www.theocc.com/Company-Information/Documents-and-Archives/Options-Disclosure-Document>.

² The close of trading on the quarterly expiration Friday (i.e., the third Friday of March, June, September and December), when options, index futures, and options on index futures all expire simultaneously, became known as the "triple witching hour."

³ See Securities and Exchange Commission, Division of Economic Risk and Analysis, Memorandum, Cornerstone Analysis of PM Cash-Settled Index Option Pilots (February 2, 2021) ("DERA Staff PM Pilot Memo") at 5, available at: https://www.sec.gov/files/Analysis_of_PM_Cash_Settled_Index_Option_Pilots.pdf.

⁴ The exercise settlement value for an A.M.-settled index option is determined by reference to the reported level of the index as derived from the opening prices of the component securities on the business day before expiration.

index futures, including futures on the S&P 500.⁵ The Commission subsequently approved a rule change by Cboe Options to list and trade A.M.-settled SPX options.⁶ In 1992, the Commission approved Cboe Options' proposal to transition all of its European-style cash-settled options on the S&P 500 Index to A.M. settlement.⁷

In 1993, the Commission approved a rule allowing Cboe Options to list P.M.-settled options on certain broad-based indices, including the S&P 500, expiring at the end of each calendar quarter ("Quarterly Index Expirations") (since adopted as permanent).⁸ In September 2010, the Commission approved a rule change that established a pilot program under which the Exchange is permitted to list P.M.-settled options on broad-based indexes to expire on (a) any Friday of the month, other than the third Friday-of-the-month, and (b) the last trading day of the month.⁹ On January 14, 2016, the Commission approved a Cboe Options proposal to expand the pilot program to allow P.M.-settled options on broad-based indexes to expire on any Wednesday of month, other than those that coincide with an EOM.¹⁰ On August 10, 2016, the Commission approved a Cboe Options proposal to expand the pilot program to allow P.M.-settled options on broad-based indexes to expire on any Monday of month, other than

⁵ See Securities Exchange Act Release No. 24367 (April 17, 1987), 52 FR 13890 (April 27, 1987) (SR-CBOE-87-11) (noting that CME moved S&P 500 futures contract's settlement value to opening prices on the delivery date).

⁶ See *id.*

⁷ See Securities Exchange Act Release No. 30944 (July 21, 1992), 57 FR 33376 (July 28, 1992) (SR-CBOE-92-09). Thereafter, the Commission approved proposals by the options markets to transfer most of their cash-settled index products to A.M. settlement.

⁸ See Securities Exchange Act Release No. 31800 (February 1, 1993), 58 FR 7274 (February 5, 1993) (SR-CBOE-92-13); and see Rule 4.13(a)(2)(B); see also Securities Exchange Act Release Nos. 54123 (July 11, 2006), 71 FR 40558 (July 17, 2006) (SR-CBOE-2006-65); and 60164 (June 23, 2009), 74 FR 31333 (June 30, 2009) (SR-CBOE-2009-029).

⁹ See Securities Exchange Act Release 62911 (September 14, 2010), 75 FR 57539 (September 21, 2010) (order approving SR-CBOE-2009-075).

¹⁰ See Securities Exchange Act Release 76909 (January 14, 2016), 81 FR 3512 (January 21, 2016) (order approving SR-CBOE-2015-106).

those that coincide with an EOM.¹¹ On April 12, 2022, the Commission approved a Cboe Options proposal to expand the pilot program to allow P.M.-settled SPX options to also expire on Tuesday or Thursday.¹² On September 15, 2022, the Commission approved a Cboe Options proposal to expand the pilot program to allow P.M.-settled XSP options to similarly expire on Tuesday or Thursday.¹³ On July 27, 2023, the Commission approved a Cboe Options proposal to make the program permanent and permit the Exchange to list P.M.-settled options on any broad-based index eligible for standard trading that expire on: (1) any Monday, Wednesday, or Friday (other than the third Friday-of-the-month or days that coincide with an end-of-month expiration and, with respect to SPX and XSP options any Tuesday or Thursday and (2) the last trading day of the month.¹⁴ Subsequently, in November 2023, the Commission approved a Cboe Options proposal to permit P.M.-settled options on any broad-based index eligible for standard options trading that expire on Tuesday or Thursday.¹⁵

Current Offerings

Currently, under the Nonstandard Expirations Program set forth in Rule 4.13(e), the Exchange may open for trading (1) Weekly Expirations on any broad-based index eligible for standard options trading and on CBTX, MBTX, and the Cboe Magnificent 10 Index to expire on any Monday, Tuesday, Wednesday, Thursday, or Friday (other than the third Friday-of-the-month or days that coincide with an EOM expiration) and (2) EOMs on any broad-based

¹¹ See Securities Exchange Act Release 78531 (August 10, 2016), 81 FR 54643 (August 16, 2016) (order approving SR-CBOE-2016-046).

¹² See Securities Exchange Act Release 94682 (April 12, 2022) (order approving SR-CBOE- 2022-005).

¹³ See Securities Exchange Act Release 95795 (September 21, 2022) (order approving SR-CBOE-2022-039).

¹⁴ See Securities Exchange Act Release 98008 (July 27, 2023) (order approving SR-CBOE-2023-020).

¹⁵ See Securities Exchange Act Release No. 98957 (November 15, 2023).

index eligible for standard options trading and on CBTX, MBTX, and the Cboe Magnificent 10 Index to expire on last trading day of the month.

Further, under its rules, with respect to SPX options, the Exchange may open for trading standard monthly expirations with A.M.-settlement on the third Friday-of-the-month,¹⁶ Weekly Expirations with P.M.-settlement¹⁷ (including P.M.-Settled Third Friday Index Options)¹⁸; and EOM expirations with P.M.-settlement.¹⁹

The Exchange now proposes to amend its rules to permit the listing of A.M.-Settled Weekly and EOM Expirations on SPX options.

Proposal

The Exchange proposes to amend Rule 4.13(e), which governs its Nonstandard Expirations Program (“Program”), to permit A.M.-settled SPX options that expire (1) on any Monday, Tuesday, Wednesday, Thursday, or Friday (other than the third Friday-of-the-month (“Expiration Friday”) or days that coincide with an EOM expiration) (“A.M.-Settled Weekly Expirations”) and (2) EOMs.

A.M.-Settled Weekly Expirations and EOM Expirations on SPX are subject to all provisions of Rule 4.13 and treated the same as A.M.-settled options on SPX that expire on the third Friday of the expiration month, as well as P.M.-settled Weekly and EOM SPX options. The maximum number of expirations that may be listed for each A.M.-Settled Weekly Expiration on SPX options (i.e., a A.M.-Settled Monday expiration, A.M.-Settled Tuesday expiration, A.M.-Settled Wednesday expiration, A.M.-Settled Thursday

¹⁶ See Rule 4.13(a)(2) and (3).

¹⁷ See Rule 4.13(e)(1)

¹⁸ See Rule 4.13, Interpretation and Policy .13.

¹⁹ See Rule 4.13(e)(2)

expiration, or A.M.-Settled Friday expiration, as applicable)²⁰ and each A.M.-Settled EOM Expiration on SPX options is the same as the maximum number of expirations permitted in Rule 4.13(a)(2) for standard options on SPX. A.M.-Settled Weekly Expirations on SPX need not be for consecutive Monday, Tuesday, Wednesday, Thursday, or Friday expirations as applicable; however, the expiration date of a nonconsecutive expiration may not be beyond what would be considered the last expiration date if the maximum number of expirations were listed consecutively. A.M.-Settled Weekly Expirations that are first listed in SPX options may expire up to four weeks from the actual listing date. Similarly, A.M.-Settled EOMs on SPX need not be for consecutive end of month expirations; however, the expiration date of a non-consecutive expiration may not be beyond what would be considered the last expiration date if the maximum number of expirations were listed consecutively. A.M.-Settled EOMs that are first listed in SPX options may expire up to four weeks from the actual listing date. If the Exchange lists A.M.-Settled EOMs and A.M.-Settled Weekly Expirations on SPX, the Exchange will list an A.M.-Settled EOM instead of a A.M.-Settled Weekly Expiration that expires on the same day in the given class. Other expirations in the same class are not counted as part of the maximum number of Weekly or EOM Expirations for SPX.

If the Exchange is not open for business on a respective Monday, the normally Monday expiring Weekly Expirations will expire on the following business day. If the

²⁰ As part of the proposed changes, the Exchange proposes conforming amendments to Rules 4.13(e)(1) and (2) to replace certain existing references to "Weekly Expirations" with "P.M.-settled Weekly Expirations," to reflect that those provisions are applicable to P.M.-settled options series and to distinguish them from the A.M.-Settled Weekly Expirations proposed. For the avoidance of doubt, there are no changes to the P.M.-Settled Weekly Expirations or EOMs as a result of the proposed change. The Exchange also proposes to remove language stating that Weekly Expirations and EOMs shall be P.M.-settled.

Exchange is not open for business on a respective Tuesday, Wednesday, Thursday, or Friday, the normally Tuesday, Wednesday, Thursday, or Friday expiring Weekly Expirations will expire on the previous business day. If two different Weekly Expirations on an index would expire on the same day because the Exchange is not open for business on a certain weekday, the Exchange will list only one of such Weekly Expirations.

In connection with proposed change, the Exchange proposes to amend Rule 5.1(b)(2)(C), which currently states in relevant part that on their last trading day, Regular Trading Hours for Nonstandard Expirations are from 9:30 a.m. to 4:00 p.m. Specifically, the Exchange proposes to replace the reference to “Nonstandard Expirations” with “P.M.-Settled Nonstandard Expirations.”

The Exchange believes that the introduction of A.M.-Settled Weekly Expirations and EOMs on SPX options will provide market participants with additional hedging tools and greater trading opportunities. By offering expanded expirations along with the current standard A.M.-settled expirations (as well as P.M.-settled weekly, monthly and quarterly expirations), the proposed rule change will allow market participants to purchase options on SPX available for trading on the Exchange in a manner more aligned with specific timing needs (such as to hedge special events) and more effectively tailor their investment and hedging strategies and manage their portfolios.

The Exchange believes that expanding the SPX options offering to include A.M.-Settled Weekly and EOM Expirations would allow market participants to purchase an option based on their needed timing and allow them to tailor their investment or hedging needs more effectively. Further, the Exchange believes there is sufficient investor interest and demand in A.M.-Settled Weekly and EOM Expirations on SPX options to warrant

inclusion in the Program and in the Rules, and that the Program and the Rules, as amended, will continue to provide investors with additional means of managing their risk exposures and carrying out their investment objectives.

With regard to the impact of this proposal on system capacity, the Exchange has analyzed its capacity and represents that it believes that the Exchange has the necessary systems capacity to handle any potential additional traffic associated with trading of A.M-Settled Weekly Expirations and EOM Expirations for SPX options. The Options Price Reporting Authority (“OPRA”) also informed the Exchange it believes it has the necessary systems capacity to handle the additional traffic associated with the listing of A.M-Settled Weekly Expirations and EOM Expirations for SPX options that would result from this proposed rule change.

The Exchange does not believe that its Trading Permit Holders (“TPHs”) will experience any capacity issues as a result of this proposal and represents that it will monitor the trading volume associated with any possible additional SPX options series listed as a result of this proposal and the effect (if any) of these additional series on market fragmentation and on the capacity of the Exchange’s automated systems.

In addition to this, the Exchange believes that its existing surveillance and reporting safeguards in place are adequate to deter and detect possible manipulative behavior which might arise from listing and trading A.M-Settled Weekly and EOM Expirations for SPX options (as the Exchange currently applies these to SPX options that are A.M.-settled with standard expirations, as well as P.M.-settled with weekly, monthly and quarterly expirations) and will support the protection of investors and the public interest. Furthermore, the trading of A.M-Settled Weekly and EOM Expirations for SPX options

will be subject to the same rules that currently govern the trading of these options with other expirations, including governing customer accounts, position and exercise limits,²¹ margin requirements and trading halt procedures, among other Rules, which are designed to prevent fraudulent and manipulative acts and practices.

In response to any potential concerns that disruptive trading conduct could occur as a result of the concurrent listing and trading of two index option products based on the same index but for which different settlement methodologies exist (i.e., one is A.M.-settled and one is P.M.-settled), the Exchange notes that for roughly five years (1987 to 1992) the Exchange listed and traded an A.M.-settled S&P 500 index option under symbol NSX at the same time it listed and traded a P.M.-settled S&P 500 index option under symbol SPX, and the Exchange did not observe any market disruptions as a result of offering both products.²²

The adoption of trading of A.M.-Settled Weekly and EOM Expirations on the S&P 500 Index on the same exchange as A.M.-settled (with standard expirations) and P.M.-settled options on the S&P 500 Index would provide greater spread opportunities. This manner of trading allows a market participant to take advantage of the different expiration times, which provides expanded trading opportunities. In the options market currently, market participants regularly trade similar or related products in conjunction with each other, which contributes to overall market liquidity.

²¹ There are no position or exercise limits for SPX options, per Rules 8.31(a) and 8.42(b), respectively.

²² Today, A.M.-settled SPX options and P.M.-Settled SPX options trade under different symbols (i.e., SPX and SPXW, respectively).

(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.²³ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)²⁴ 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)²⁵ 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 that the proposed rule change will 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. The Exchange believes that the introduction of A.M-Settled Weekly and EOM Expirations for SPX options will provide investors with expanded hedging tools and greater trading opportunities. As a result, investors will have additional means to manage their risk exposures and carry out

²³ 15 U.S.C. 78f(b).

²⁴ 15 U.S.C. 78f(b)(5).

²⁵ Id.

their investment objectives. By offering expanded expirations along with the current standard A.M.-settled expirations (as well as P.M.-settled weekly, monthly and quarterly expirations), the proposed rule change will allow market participants to purchase options on SPX available for trading on the Exchange in a manner more aligned with specific timing needs (such as to hedge special events) and more effectively tailor their investment and hedging strategies and manage their portfolios. For example, the proposed rule change will allow market participants to spread risk across more trading days and incorporate daily changes in the markets, which may reduce the premium cost of buying protection. The Exchange represents that it believes that it has the necessary systems capacity to support any additional traffic associated with trading of A.M-Settled Weekly and EOM Expirations for SPX options and does not believe that its TPHs will experience any capacity issues as a result of this proposal.

The Exchange does not believe that the addition of A.M-Settled Weekly and EOM Expirations for SPX options to the Nonstandard Expirations Program will raise any prohibitive regulatory concerns, nor adversely impact fair and orderly markets on expiration days. The Exchange has not experienced any meaningful regulatory concerns, nor adverse impact on fair and orderly markets, in connection with these programs, nor with the listing of standard A.M.-settled expirations for SPX options along with P.M.-settled expirations, (as the Exchange currently does) and is unaware of any reason why adding A.M.-settled options with expirations each day of the week for SPX options would be create such concerns or impact. Particularly, the Exchange does not believe increases in the number of options series and expirations will have any significant adverse economic impact on the futures, index, or underlying index component securities markets. The

Exchange believes that the proposed rule change will provide investors with greater trading and hedging opportunities and flexibility, allowing them to transact in SPX options in a manner more aligned with specific timing needs and more effectively tailor their investment and hedging objectives by listing these A.M.-settled options that expire each trading day of the week, in addition to options that expire at on the third Friday-of-the-month or that are P.M.-settled and expire daily, monthly and quarterly (which, as noted above, the Exchange may already do pursuant to separate listing programs in the Rules).

The Commission previously recognized the benefits of A.M.-settlement for broad-based index options when it approved Cboe Options' proposal to transition most of its cash-settled index options, including on the S&P 500 Index, to A.M.-settlement.²⁶ Specifically, the Commission identified several advantages of opening price settlement, including: (1) the ability to facilitate contra-side interest to alleviate order imbalances caused by the unwinding of index-related positions, without requiring market participants to assume overnight or weekend position risk; (2) providing market participants the remainder of the trading day to adjust to price movements resulting from expiration activity and assess whether those movements reflect changes in fundamental value or short-term supply and demand; and (3) allowing stock positions associated with expiring contracts to benefit from orderly opening procedures designed to facilitate price discovery.²⁷

²⁶ See Securities Exchange Act Release No. 30944 (July 21, 1992), 57 FR 33376 (July 28, 1992) (SR-CBOE-92-09). Thereafter, the Commission approved proposals by the options markets to transfer most of their cash-settled index products to A.M. settlement.

²⁷ See Securities Exchange Act Release No. 30944 (July 21, 1992), 57 FR 33376 (July 28, 1992) (SR-CBOE-92-09). Thereafter, the Commission approved proposals by the options markets to transfer most of their cash-settled index products to A.M. settlement.

The Exchange believes the benefits set forth by the Commission are not unique to standard monthly expirations. Specifically, as daily and end-of-month P.M.-settled SPX expirations have grown in prominence, the same concerns regarding order imbalance and price discovery could arise at any expiration (not just the third Friday of each month). Accordingly, the Exchange believes that extending A.M.-settlement to daily and end-of-month expirations is consistent with the Commission's own rationale, and would provide market participants with those same protections across the full expiration calendar.

Finally, the Exchange believes its proposal to introduce changes to specify between A.M.-Settled Weekly Expirations and P.M.-Settled Weekly Expirations are reasonable, as they provide clarity within the Exchange rules, thereby mitigating potential investor confusion.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe 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 A.M.-settled SPX options with Weekly and EOM Expirations will be available to all market participants. By listing SPX options with these expirations (in addition to the standard Expiration Friday expirations (A.M.-settled) and weekly and EOM expirations (P.M.-settled) that are currently listed), the proposed rule change will provide all investors that participate in the markets for these index options available for trading on the Exchange with greater trading and hedging opportunities and flexibility to meet their investment and hedging needs.

The Exchange does not believe that the proposal to list A.M.-settled SPX options with Weekly and EOM Expirations will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because these options are proprietary Exchange products. To the extent that the addition of these expirations for SPX options makes the Exchange a more attractive marketplace to market participants at other exchanges, such market participants are free to elect to become market participants on the Exchange. Further, to other exchanges offer “nonstandard” expirations²⁸ for index options and are welcome to similarly propose to list options on those index or equity products with similar expirations as proposed herein. Finally, as noted above, SPX options with these expirations will trade in the same manner as other options with these expirations currently do.

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.²⁹

²⁸ See, e.g., Nasdaq PHLX, LLC Options 4A, Section 12 (permitting nonstandard expirations, including daily expirations for Nasdaq-100 index options and Nasdaq 100-Micro index options); and Nasdaq ISE, LLC Options 4, Section 5, Supplementary Material .03 (permitting short-term options series with daily expirations for SPY and QQQ options).

²⁹ 15 U.S.C. 78s(b)(2).

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.

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-2026-037]

[Insert date]

Self-Regulatory Organizations; Cboe Exchange, Inc.; Notice of Filing of a Proposed Rule Change to Amend its Rules to Permit the Listing of A.M.-Settled Options on the S&P 500 Index (“SPX” or “SPX Options”) that Expire (1) on Any Monday, Tuesday, Wednesday, Thursday, or Friday (other than the Third Friday-of-the-Month or Days that Coincide with an End-of-Month Expiration) and (2) the Last Trading Day of the Month

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 its rules to permit the listing of A.M.-settled options on the S&P 500 Index (“SPX” or “SPX options”) that expire (1) on any Monday, Tuesday, Wednesday, Thursday, or Friday (other than the third Friday-of-the-month or days that coincide with an end-of-month expiration) and (2) the last trading day of the month. The text of the proposed rule change is provided in Exhibit 5.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

The text of the proposed rule change is also available on the Commission’s website (<https://www.sec.gov/rules/sro.shtml>), the Exchange’s website (https://www.cboe.com/us/options/regulation/rule_filings/bzx/), and at the principal office of the Exchange.

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

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

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

1. Purpose

The Exchange proposes to amend its rules to permit the listing of A.M.-settled SPX options that expire (1) on any Monday, Tuesday, Wednesday, Thursday, or Friday (other than the third Friday-of-the-month or days that coincide with an end-of-month expiration) (“A.M.-Settled Weekly Expirations”) and (2) on the last trading day of the month (“EOMs” or “EOM Expirations”).

Background

Historical context

By way of background, when cash-settled³ index options were first introduced in the 1980s, settlement was based on the closing value of the underlying index on the option’s

³ The seller of a “cash-settled” index option pays out the cash value of the applicable index on expiration or exercise. A “physically settled” option, like equity and ETF options, involves the

expiration date. The Commission later became concerned about the impact of P.M.-settled, cash-settled index options on the markets for the underlying stocks at the close on expiration Fridays. Specifically, certain episodes of price reversals around the close on quarterly expiration dates attracted the attention of regulators to the possibility that the simultaneous expiration of index futures, futures options, and options might be inducing abnormal volatility in the index value around the close.⁴ Academic research at the time provided at least some evidence suggesting that futures and options expirations contributed to excess volatility and reversals around the close on those days.⁵ In light of the concerns with P.M. settlement and to help ameliorate the price effects associated with expirations of P.M.-settled, cash-settled index products, in 1987, the Commodity Futures Trading Commission (“CFTC”) approved a rule change by the Chicago Mercantile Exchange (“CME”) to provide for A.M. settlement⁶ for index futures, including futures on the S&P 500.⁷ The Commission subsequently approved a rule change by Cboe Options to list and trade A.M.-settled SPX options.⁸ In 1992, the

transfer of the underlying asset rather than cash. See Characteristics and Risks of Standardized Options, available at: <https://www.theocc.com/Company-Information/Documents-and-Archives/Options-Disclosure-Document>.

⁴ The close of trading on the quarterly expiration Friday (i.e., the third Friday of March, June, September and December), when options, index futures, and options on index futures all expire simultaneously, became known as the “triple witching hour.”

⁵ See Securities and Exchange Commission, Division of Economic Risk and Analysis, Memorandum, Cornerstone Analysis of PM Cash-Settled Index Option Pilots (February 2, 2021) (“DERA Staff PM Pilot Memo”) at 5, available at: https://www.sec.gov/files/Analysis_of_PM_Cash_Settled_Index_Option_Pilots.pdf.

⁶ The exercise settlement value for an A.M.-settled index option is determined by reference to the reported level of the index as derived from the opening prices of the component securities on the business day before expiration.

⁷ See Securities Exchange Act Release No. 24367 (April 17, 1987), 52 FR 13890 (April 27, 1987) (SR-CBOE-87-11) (noting that CME moved S&P 500 futures contract’s settlement value to opening prices on the delivery date).

⁸ See id.

Commission approved Cboe Options' proposal to transition all of its European-style cash-settled options on the S&P 500 Index to A.M. settlement.⁹

In 1993, the Commission approved a rule allowing Cboe Options to list P.M.-settled options on certain broad-based indices, including the S&P 500, expiring at the end of each calendar quarter (“Quarterly Index Expirations”) (since adopted as permanent).¹⁰ In September 2010, the Commission approved a rule change that established a pilot program under which the Exchange is permitted to list P.M.-settled options on broad-based indexes to expire on (a) any Friday of the month, other than the third Friday-of-the-month, and (b) the last trading day of the month.¹¹ On January 14, 2016, the Commission approved a Cboe Options proposal to expand the pilot program to allow P.M.-settled options on broad-based indexes to expire on any Wednesday of month, other than those that coincide with an EOM.¹² On August 10, 2016, the Commission approved a Cboe Options proposal to expand the pilot program to allow P.M.-settled options on broad-based indexes to expire on any Monday of month, other than those that coincide with an EOM.¹³ On April 12, 2022, the Commission approved a Cboe Options proposal to expand the pilot program to allow P.M.-settled SPX options to also expire on Tuesday or Thursday.¹⁴ On September 15, 2022, the Commission

⁹ See Securities Exchange Act Release No. 30944 (July 21, 1992), 57 FR 33376 (July 28, 1992) (SR-CBOE-92-09). Thereafter, the Commission approved proposals by the options markets to transfer most of their cash-settled index products to A.M. settlement.

¹⁰ See Securities Exchange Act Release No. 31800 (February 1, 1993), 58 FR 7274 (February 5, 1993) (SR-CBOE-92-13); and see Rule 4.13(a)(2)(B); see also Securities Exchange Act Release Nos. 54123 (July 11, 2006), 71 FR 40558 (July 17, 2006) (SR-CBOE-2006-65); and 60164 (June 23, 2009), 74 FR 31333 (June 30, 2009) (SR-CBOE-2009-029).

¹¹ See Securities Exchange Act Release 62911 (September 14, 2010), 75 FR 57539 (September 21, 2010) (order approving SR-CBOE-2009-075).

¹² See Securities Exchange Act Release 76909 (January 14, 2016), 81 FR 3512 (January 21, 2016) (order approving SR-CBOE-2015-106).

¹³ See Securities Exchange Act Release 78531 (August 10, 2016), 81 FR 54643 (August 16, 2016) (order approving SR-CBOE-2016-046).

¹⁴ See Securities Exchange Act Release 94682 (April 12, 2022) (order approving SR-CBOE- 2022-

approved a Cboe Options proposal to expand the pilot program to allow P.M.-settled XSP options to similarly expire on Tuesday or Thursday.¹⁵ On July 27, 2023, the Commission approved a Cboe Options proposal to make the program permanent and permit the Exchange to list P.M.-settled options on any broad-based index eligible for standard trading that expire on: (1) any Monday, Wednesday, or Friday (other than the third Friday-of-the-month or days that coincide with an end-of-month expiration and, with respect to SPX and XSP options any Tuesday or Thursday and (2) the last trading day of the month.¹⁶ Subsequently, in November 2023, the Commission approved a Cboe Options proposal to permit P.M.-settled options on any broad-based index eligible for standard options trading that expire on Tuesday or Thursday.¹⁷

Current Offerings

Currently, under the Nonstandard Expirations Program set forth in Rule 4.13(e), the Exchange may open for trading (1) Weekly Expirations on any broad-based index eligible for standard options trading and on CBTX, MBTX, and the Cboe Magnificent 10 Index to expire on any Monday, Tuesday, Wednesday, Thursday, or Friday (other than the third Friday-of-the-month or days that coincide with an EOM expiration) and (2) EOMs on any broad-based index eligible for standard options trading and on CBTX, MBTX, and the Cboe Magnificent 10 Index to expire on last trading day of the month.

Further, under its rules, with respect to SPX options, the Exchange may open for trading standard monthly expirations with A.M.-settlement on the third Friday-of the-

005).

¹⁵ See Securities Exchange Act Release 95795 (September 21, 2022) (order approving SR-CBOE-2022-039).

¹⁶ See Securities Exchange Act Release 98008 (July 27, 2023) (order approving SR-CBOE-2023-020).

¹⁷ See Securities Exchange Act Release No. 98957 (November 15, 2023).

month,¹⁸ Weekly Expirations with P.M.-settlement¹⁹ (including P.M.-Settled Third Friday Index Options)²⁰; and EOM expirations with P.M.-settlement.²¹

The Exchange now proposes to amend its rules to permit the listing of A.M.-Settled Weekly and EOM Expirations on SPX options.

Proposal

The Exchange proposes to amend Rule 4.13(e), which governs its Nonstandard Expirations Program (“Program”), to permit A.M.-settled SPX options that expire (1) on any Monday, Tuesday, Wednesday, Thursday, or Friday (other than the third Friday-of-the-month (“Expiration Friday”) or days that coincide with an EOM expiration) (“A.M.-Settled Weekly Expirations”) and (2) EOMs.

A.M.-Settled Weekly Expirations and EOM Expirations on SPX are subject to all provisions of Rule 4.13 and treated the same as A.M.-settled options on SPX that expire on the third Friday of the expiration month, as well as P.M.-settled Weekly and EOM SPX options. The maximum number of expirations that may be listed for each A.M.-Settled Weekly Expiration on SPX options (i.e., a A.M.-Settled Monday expiration, A.M.-Settled Tuesday expiration, A.M.-Settled Wednesday expiration, A.M.-Settled Thursday expiration, or A.M.-Settled Friday expiration, as applicable)²² and each A.M.-Settled EOM

¹⁸ See Rule 4.13(a)(2) and (3).

¹⁹ See Rule 4.13(e)(1)

²⁰ See Rule 4.13, Interpretation and Policy .13.

²¹ See Rule 4.13(e)(2)

²² As part of the proposed changes, the Exchange proposes conforming amendments to Rules 4.13(e)(1) and (2) to replace certain existing references to "Weekly Expirations" with "P.M.-settled Weekly Expirations," to reflect that those provisions are applicable to P.M.-settled options series and to distinguish them from the A.M.-Settled Weekly Expirations proposed. For the avoidance of doubt, there are no changes to the P.M.-Settled Weekly Expirations or EOMs as a result of the proposed change. The Exchange also proposes to remove language stating that Weekly Expirations and EOMs shall be P.M.-settled.

Expiration on SPX options is the same as the maximum number of expirations permitted in Rule 4.13(a)(2) for standard options on SPX. A.M.-Settled Weekly Expirations on SPX need not be for consecutive Monday, Tuesday, Wednesday, Thursday, or Friday expirations as applicable; however, the expiration date of a nonconsecutive expiration may not be beyond what would be considered the last expiration date if the maximum number of expirations were listed consecutively. A.M.-Settled Weekly Expirations that are first listed in SPX options may expire up to four weeks from the actual listing date. Similarly, A.M.-Settled EOMs on SPX need not be for consecutive end of month expirations; however, the expiration date of a non-consecutive expiration may not be beyond what would be considered the last expiration date if the maximum number of expirations were listed consecutively. A.M.-Settled EOMs that are first listed in SPX options may expire up to four weeks from the actual listing date. If the Exchange lists A.M.-Settled EOMs and A.M.-Settled Weekly Expirations on SPX, the Exchange will list an A.M.-Settled EOM instead of a A.M.-Settled Weekly Expiration that expires on the same day in the given class. Other expirations in the same class are not counted as part of the maximum number of Weekly or EOM Expirations for SPX.

If the Exchange is not open for business on a respective Monday, the normally Monday expiring Weekly Expirations will expire on the following business day. If the Exchange is not open for business on a respective Tuesday, Wednesday, Thursday, or Friday, the normally Tuesday, Wednesday, Thursday, or Friday expiring Weekly Expirations will expire on the previous business day. If two different Weekly Expirations on an index would expire on the same day because the Exchange is not open for business on a certain weekday, the Exchange will list only one of such Weekly Expirations.

In connection with proposed change, the Exchange proposes to amend Rule 5.1(b)(2)(C), which currently states in relevant part that on their last trading day, Regular Trading Hours for Nonstandard Expirations are from 9:30 a.m. to 4:00 p.m. Specifically, the Exchange proposes to replace the reference to “Nonstandard Expirations” with “P.M.-Settled Nonstandard Expirations.”

The Exchange believes that the introduction of A.M.-Settled Weekly Expirations and EOMs on SPX options will provide market participants with additional hedging tools and greater trading opportunities. By offering expanded expirations along with the current standard A.M.-settled expirations (as well as P.M.-settled weekly, monthly and quarterly expirations), the proposed rule change will allow market participants to purchase options on SPX available for trading on the Exchange in a manner more aligned with specific timing needs (such as to hedge special events) and more effectively tailor their investment and hedging strategies and manage their portfolios.

The Exchange believes that expanding the SPX options offering to include A.M.-Settled Weekly and EOM Expirations would allow market participants to purchase an option based on their needed timing and allow them to tailor their investment or hedging needs more effectively. Further, the Exchange believes there is sufficient investor interest and demand in A.M.-Settled Weekly and EOM Expirations on SPX options to warrant inclusion in the Program and in the Rules, and that the Program and the Rules, as amended, will continue to provide investors with additional means of managing their risk exposures and carrying out their investment objectives.

With regard to the impact of this proposal on system capacity, the Exchange has analyzed its capacity and represents that it believes that the Exchange has the necessary

systems capacity to handle any potential additional traffic associated with trading of A.M-Settled Weekly Expirations and EOM Expirations for SPX options. The Options Price Reporting Authority (“OPRA”) also informed the Exchange it believes it has the necessary systems capacity to handle the additional traffic associated with the listing of A.M-Settled Weekly Expirations and EOM Expirations for SPX options that would result from this proposed rule change.

The Exchange does not believe that its Trading Permit Holders (“TPHs”) will experience any capacity issues as a result of this proposal and represents that it will monitor the trading volume associated with any possible additional SPX options series listed as a result of this proposal and the effect (if any) of these additional series on market fragmentation and on the capacity of the Exchange’s automated systems.

In addition to this, the Exchange believes that its existing surveillance and reporting safeguards in place are adequate to deter and detect possible manipulative behavior which might arise from listing and trading A.M-Settled Weekly and EOM Expirations for SPX options (as the Exchange currently applies these to SPX options that are A.M.-settled with standard expirations, as well as P.M.-settled with weekly, monthly and quarterly expirations) and will support the protection of investors and the public interest. Furthermore, the trading of A.M-Settled Weekly and EOM Expirations for SPX options will be subject to the same rules that currently govern the trading of these options with other expirations, including governing customer accounts, position and exercise limits,²³ margin requirements and trading halt procedures, among other Rules, which are designed to prevent fraudulent and manipulative acts and practices.

²³ There are no position or exercise limits for SPX options, per Rules 8.31(a) and 8.42(b), respectively.

In response to any potential concerns that disruptive trading conduct could occur as a result of the concurrent listing and trading of two index option products based on the same index but for which different settlement methodologies exist (i.e., one is A.M.-settled and one is P.M.-settled), the Exchange notes that for roughly five years (1987 to 1992) the Exchange listed and traded an A.M.-settled S&P 500 index option under symbol NSX at the same time it listed and traded a P.M.-settled S&P 500 index option under symbol SPX, and the Exchange did not observe any market disruptions as a result of offering both products.²⁴

The adoption of trading of A.M.-Settled Weekly and EOM Expirations on the S&P 500 Index on the same exchange as A.M.-settled (with standard expirations) and P.M.-settled options on the S&P 500 Index would provide greater spread opportunities. This manner of trading allows a market participant to take advantage of the different expiration times, which provides expanded trading opportunities. In the options market currently, market participants regularly trade similar or related products in conjunction with each other, which contributes to overall market liquidity.

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.²⁵ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)²⁶

²⁴ Today, A.M.-settled SPX options and P.M.-Settled SPX options trade under different symbols (i.e., SPX and SPXW, respectively).

²⁵ 15 U.S.C. 78f(b).

²⁶ 15 U.S.C. 78f(b)(5).

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)²⁷ 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 that the proposed rule change will 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. The Exchange believes that the introduction of A.M.-Settled Weekly and EOM Expirations for SPX options will provide investors with expanded hedging tools and greater trading opportunities. As a result, investors will have additional means to manage their risk exposures and carry out their investment objectives. By offering expanded expirations along with the current standard A.M.-settled expirations (as well as P.M.-settled weekly, monthly and quarterly expirations), the proposed rule change will allow market participants to purchase options on SPX available for trading on the Exchange in a manner more aligned with specific timing needs (such as to hedge special events) and more effectively tailor their investment and hedging strategies and manage their portfolios. For example, the proposed rule change will allow market participants to spread risk across more trading days and incorporate daily

²⁷ Id.

changes in the markets, which may reduce the premium cost of buying protection. The Exchange represents that it believes that it has the necessary systems capacity to support any additional traffic associated with trading of A.M-Settled Weekly and EOM Expirations for SPX options and does not believe that its TPHs will experience any capacity issues as a result of this proposal.

The Exchange does not believe that the addition of A.M-Settled Weekly and EOM Expirations for SPX options to the Nonstandard Expirations Program will raise any prohibitive regulatory concerns, nor adversely impact fair and orderly markets on expiration days. The Exchange has not experienced any meaningful regulatory concerns, nor adverse impact on fair and orderly markets, in connection with these programs, nor with the listing of standard A.M.-settled expirations for SPX options along with P.M.-settled expirations, (as the Exchange currently does) and is unaware of any reason why adding A.M.-settled options with expirations each day of the week for SPX options would be create such concerns or impact. Particularly, the Exchange does not believe increases in the number of options series and expirations will have any significant adverse economic impact on the futures, index, or underlying index component securities markets. The Exchange believes that the proposed rule change will provide investors with greater trading and hedging opportunities and flexibility, allowing them to transact in SPX options in a manner more aligned with specific timing needs and more effectively tailor their investment and hedging objectives by listing these A.M-settled options that expire each trading day of the week, in addition to options that expire at on the third Friday-of-the-month or that are P.M-settled and expire daily, monthly and quarterly (which, as noted above, the Exchange may already do pursuant to separate listing programs in the Rules).

The Commission previously recognized the benefits of A.M.-settlement for broad-based index options when it approved Cboe Options' proposal to transition most of its cash-settled index options, including on the S&P 500 Index, to A.M.-settlement.²⁸ Specifically, the Commission identified several advantages of opening price settlement, including: (1) the ability to facilitate contra-side interest to alleviate order imbalances caused by the unwinding of index-related positions, without requiring market participants to assume overnight or weekend position risk; (2) providing market participants the remainder of the trading day to adjust to price movements resulting from expiration activity and assess whether those movements reflect changes in fundamental value or short-term supply and demand; and (3) allowing stock positions associated with expiring contracts to benefit from orderly opening procedures designed to facilitate price discovery.²⁹

The Exchange believes the benefits set forth by the Commission are not unique to standard monthly expirations. Specifically, as daily and end-of-month P.M.-settled SPX expirations have grown in prominence, the same concerns regarding order imbalance and price discovery could arise at any expiration (not just the third Friday of each month). Accordingly, the Exchange believes that extending A.M.-settlement to daily and end-of-month expirations is consistent with the Commission's own rationale, and would provide market participants with those same protections across the full expiration calendar.

Finally, the Exchange believes its proposal to introduce changes to specify between A.M.-Settled Weekly Expirations and P.M.-Settled Weekly Expirations are reasonable, as

²⁸ See Securities Exchange Act Release No. 30944 (July 21, 1992), 57 FR 33376 (July 28, 1992) (SR-CBOE-92-09). Thereafter, the Commission approved proposals by the options markets to transfer most of their cash-settled index products to A.M. settlement.

²⁹ See Securities Exchange Act Release No. 30944 (July 21, 1992), 57 FR 33376 (July 28, 1992) (SR-CBOE-92-09). Thereafter, the Commission approved proposals by the options markets to transfer most of their cash-settled index products to A.M. settlement.

they provide clarity within the Exchange rules, thereby mitigating potential investor confusion.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe 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 A.M.-settled SPX options with Weekly and EOM Expirations will be available to all market participants. By listing SPX options with these expirations (in addition to the standard Expiration Friday expirations (A.M.-settled) and weekly and EOM expirations (P.M.-settled) that are currently listed), the proposed rule change will provide all investors that participate in the markets for these index options available for trading on the Exchange with greater trading and hedging opportunities and flexibility to meet their investment and hedging needs.

The Exchange does not believe that the proposal to list A.M.-settled SPX options with Weekly and EOM Expirations will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because these options are proprietary Exchange products. To the extent that the addition of these expirations for SPX options makes the Exchange a more attractive marketplace to market participants at other exchanges, such market participants are free to elect to become market participants on the Exchange. Further, to other exchanges offer "nonstandard" expirations³⁰ for index options and are welcome to similarly propose to list options on those

³⁰ See, e.g., Nasdaq PHLX, LLC Options 4A, Section 12 (permitting nonstandard expirations, including daily expirations for Nasdaq-100 index options and Nasdaq 100-Micro index options);

index or equity products with similar expirations as proposed herein. Finally, as noted above, SPX options with these expirations will trade in the same manner as other options with these expirations currently do.

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

and Nasdaq ISE, LLC Options 4, Section 5, Supplementary Material .03 (permitting short-term options series with daily expirations for SPY and QQQ options).

- Send an email to rule-comments@sec.gov. Please include file number SR-CBOE-2026-037 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-2026-037. 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-2026-037 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.³¹

Sherry R. Haywood,

Assistant Secretary.

³¹ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

(additions are underlined; deletions are [bracketed])

* * * * *

Rules of Cboe Exchange, Inc.

* * * * *

Rule 4.13. Series of Index Options

(a) – (d) No changes.

(e) *Nonstandard Expirations Program.*

(1) Weekly Expirations. The Exchange may open for trading P.M.-Settled Weekly Expirations on any broad-based index eligible for standard options trading and on CBTX, MBTX, and the Cboe Magnificent 10 Index or A.M.-Settled Weekly Expirations on SPX, to expire on any Monday, Tuesday, Wednesday, Thursday, or Friday (other than the third Friday-of-the-month or days that coincide with an EOM expiration). Weekly Expirations shall be subject to all provisions of this Rule and treated the same as options on the same underlying index that expire on the third Friday of the expiration month; provided, however, that [Weekly Expirations shall be P.M.-settled and]new series in P.M.-Settled Weekly Expirations may be added up to and including on the expiration date for an expiring Weekly Expiration.

The maximum number of expirations that may be listed for each Weekly Expiration (i.e., a A.M.-Settled Monday expiration, P.M.-Settled Monday expiration, A.M.-Settled Tuesday expiration, P.M.-Settled Tuesday expiration, A.M.-Settled Wednesday expiration, P.M.-Settled Wednesday expiration, A.M.-Settled Thursday expiration, P.M.-Settled Monday expiration, [or]A.M.-Settled Friday expiration or P.M.-Settled Friday expiration, as applicable) in a given class is the same as the maximum number of expirations permitted in Rule 4.13(a)(2) for standard options on the same index. Weekly Expirations need not be for consecutive Monday, Tuesday, Wednesday, Thursday, or Friday expirations as applicable; however, the expiration date of a non-consecutive expiration may not be beyond what would be considered the last expiration date if the maximum number of expirations were listed consecutively. Weekly Expirations that are first listed in a given class may expire up to four weeks from the actual listing date. If the Exchange lists EOMs and Weekly Expirations as applicable in a given class, the Exchange will list an EOM instead of a Weekly Expiration that expires on the same day in the given class. Other expirations in the same class are not counted as part of the maximum number of Weekly Expirations for an applicable index class. If the Exchange is not open for business on a respective Monday, the normally Monday expiring Weekly Expirations will expire on the following business day. If the Exchange is not open for business on a respective Tuesday, Wednesday, Thursday, or Friday, the normally

Tuesday, Wednesday, Thursday, or Friday expiring Weekly Expirations will expire on the previous business day. If two different Weekly Expirations would expire on the same day because the Exchange is not open for business on a certain weekday, the Exchange will list only one of such Weekly Expirations.

(2) End of Month (“EOM”) Expirations. The Exchange may open for trading P.M.-Settled EOMs on any broad-based index eligible for standard options trading and on CBTX, MBTX, and the Cboe Magnificent 10 Index or A.M.-Settled EOMs on SPX, to expire on last trading day of the month. EOMs shall be subject to all provisions of this Rule and treated the same as options on the same underlying index that expire on the third Friday of the expiration month; provided, however, that [EOMs shall be P.M.-settled and]new series in P.M.-Settled EOMs may be added up to and including on the expiration date for an expiring EOM. The maximum number of expirations that may be listed for EOMs (i.e., a A.M.-Settled EOM Expiration or P.M.-Settled EOM expiration) in a given class is the same as the maximum number of expirations permitted in Rule 4.13(a)(2) for standard options on the same index. EOM expirations need not be for consecutive end of month expirations; however, the expiration date of a non-consecutive expiration may not be beyond what would be considered the last expiration date if the maximum number of expirations were listed consecutively. EOMs that are first listed in a given class may expire up to four weeks from the actual listing date. Other expirations in the same class are not counted as part of the maximum numbers of EOM expirations for an index class

(3) Weekly Expirations and EOM Trading Hours on the Last Trading Day. On the last trading day, Regular Trading Hours for expiring Weekly Expirations and EOMs are from 9:30 a.m. and 4:00 p.m.

(f) Listing SPX and VIX on Group Basis. The Exchange may determine to list SPX or VIX on a group basis.

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Rule 5.1. Trading Days and Hours

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(b) *Regular Trading Hours.*

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(2) Index Options. Except as otherwise set forth in the Rules or under unusual conditions as may be determined by the Exchange, Regular Trading Hours for transactions in index options are from 9:30 a.m. to 4:15 p.m., except as follows:

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(C) On their last trading day, Regular Trading Hours for the following options are from 9:30 a.m. to 4:00 p.m.:

Cboe S&P 500 AM/PM Basis options Index Options with P.M.-Settled Nonstandard Expirations (i.e., Weeklys and EOMs), Monthly Options Series, Quarterly Options Series, and Quarterly Expirations (i.e., QIXs)

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