For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[29]

Jill M. Peterson,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–92709; File No. SR–CBOE–2021–046]

Self-Regulatory Organizations; Cboe Exchange, Inc.; Notice of Filing of a Proposed Rule Change To Amend Rule 5.4 and Make Corresponding Changes to Other Rules

August 19, 2021.

Pursuant to Section 19(b)(1)[1] of the Securities Exchange Act of 1934 (the ''Act''),[2] and Rule 19b–4 thereunder,[3] notice is hereby given that on August 6, 2021, 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 self-regulatory organization. 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 Rule 5.4 and make corresponding changes to other Rules. The text of the proposed rule change is provided below.

(additions are *italicized;* deletions are [bracketed])

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Rules of Cboe Exchange, Inc.

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Rule 5.4. Minimum Increments for Bids and Offers

(a) No change.

(b) Except as provided in Rule 5.33, the minimum increment for bids and offers on complex orders [with any ratio equal to or greater than one-to-three (.333) and less than or equal to three-to-one (3.00) for equity and index options, and for Index Combo orders,] is $0.01 or greater, which may be determined by the Exchange on a class-by-class basis, and the legs may be executed in $0.01 increments. [The minimum increment for bids and offers on complex orders with any ratio less than one-to-three (.333) or greater than three-to-one (3.00) for equity and index options (except for Index Combo orders) is the standard increment for the class pursuant to paragraph (a), and the legs may be executed in the minimum increment applicable to the class pursuant to paragraph (a).] Notwithstanding the foregoing, the minimum increment for bids and offers on complex orders in options on the S&P 500 Index (SPX) or on the S&P 100 Index (OEX and XEO), except for box/roll spreads, is $0.05 or greater, or in any increment, which may be determined by the Exchange on a class-by-class basis.

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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)–(e) No change.

(f) *Minimum Increments, Execution Prices, and Priority.*

(1) *Minimum Increments.* No change.

(2) *Execution Prices and Complex Order Priority.*

(A) *Complex Orders.* The System does not execute a complex order pursuant to this Rule 5.33 at a net price:

(i)–(iv) No change.

(v) that would cause any component of the complex strategy to be executed at a price ahead of a Priority Customer Order on the Simple Book without improving the BBO of *(a)* at least one component of the complex strategy*, if the complex order has a ratio equal to or greater than one-to-three (.333) and less than or equal to three-to-one (3.00), or is an Index Combo order, or (b) each component of the complex strategy with a Priority Customer Order at the BBO, if the complex order has a ratio less than one-to-three (.333) or greater than three-to-one (3.00).*

* * * * *

The text of the proposed rule change is also available on the Exchange's website (*http://www.cboe.com/AboutCBOE/CBOELegalRegulatoryHome.aspx*), at the Exchange's Office of the Secretary, and at the Commission's Public Reference Room.

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 self-regulatory organization 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 those 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 parts of such statements.

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

1. Purpose

The proposed rule change amends the minimum increment for complex orders with ratios of greater than three-to-one or less than one-to-three. Currently, Rule 5.4(b) provides that the minimum increment for bids and offers on complex orders with any ratio greater than or equal to one-to-three (.333) and less than or equal to three-to-one (3.00) for equity and index options, and for Index Combo[4] orders, is $0.01 or greater, which may be determined by the Exchange on a class-by-class basis, and the legs may be executed in $0.01 increments. However, the minimum increment for bids and offers on complex orders with any ratio less than one-to-three (.333) or greater than three-to-one (3.00) for equity and index options (except for Index Combo orders) is the standard increment for the class pursuant to Rule 5.4(a), and the legs may be executed in the minimum increment applicable to the class pursuant to paragraph 5.4(a).[5] The Exchange currently only permits complex orders with ratios greater than three-to-one or less than one-to-three for execution on the Exchange's trading floor.[6] The proposed rule change provides that the minimum increment for bids and offers on complex orders with any ratio may be in $0.01 or greater, as determined by the Exchange on a class-by-class basis. This will provide TPHs with the same pricing flexibility with respect to all complex orders they submit to the Exchange, regardless of their ratios.

Complex orders involve special pricing and handling. Bids and offers for

[29] 17 CFR 200.30–3(a)(12).

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

[2] 15 U.S.C. 78a.

[3] 17 CFR 240.19b–4.

[4] An ''Index Combo'' order is an order to purchase or sell one or more index option series and the offsetting number of Index Combinations (with an ''Index Combination'' defined as a purchase (sale) of an index option call and sale (purchase) of an index option put with the same underlying index, expiration date, and strike price) defined by the delta (defined as the positive (negative) number of Index Combinations that must be sold (purchased) to establish a market neutral hedge with one or more series of the same index option. *See* Rule 5.33(b)(5).

[5] The minimum increment for bids and offers on complex orders in options on the S&P 500 Index (SPX) or on the S&P 100 Index (OEX and XEO), except for box/roll spreads, is $0.05 or greater, or in any increment, which may be determined by the Exchange on a class-by-class basis. Rule 5.4(c) sets forth the minimum increment applicable to other types of options.

[6] If the Securities and Exchange Commission (the ''Commission'') approves the proposed rule change, the Exchange intends to begin accepting complex orders with ratios greater than three-to-one or less than one-to-three for electronic execution, in addition to open outcry.

complex orders are typically represented on the basis of a total debit or credit for the order. After a complex order executes at the total debit or credit, the parties to the trade record the contract quantities and prices for each component option of the order. For complex orders executed electronically, the Exchange's system performs this calculation (within the pricing and priority parameters set forth in Rule 5.33(f)). For complex orders executed in open outcry, this task is straightforward and uncomplicated when the total debit or credit for a complex strategy expressed in the minimum increment under Rule 5.4(b).[7] However, if a complex order is unable to be expressed in increments smaller than the increment for the class (such as $0.05), it may be difficult for brokers to obtain the desired prices for their customers' orders, because the transaction parties must perform complicated and time-consuming mathematical calculations to break down a complex order into the required contract quantities and prices to fit within the constraint of executing complex orders at a minimum increment other than $0.01.[8] This difficulty is exacerbated when the quantity of such an order is an odd lot quantity (such as 106 contracts). The result is that on active trading days, brokers executing these types of orders cannot be as efficient in representing other customer orders that they are holding. This difficulty exists for complex orders with any ratio and with legs in any combination.

The proposed rule change will enable Trading Permit Holders (''TPHs'') to execute complex orders more efficiently, including on behalf of customers that wish to execute highly complicated complex orders, by permitting the parties to execute the trades more expeditiously on the trading floor. As noted above, the Exchange also intends to accept complex orders with ratios larger than three-to-one or smaller than one-to-three for electronic execution, which would further improve efficiency of execution of electronic orders, as the System would perform this calculation. The Exchange believes this increased efficiency would increase execution opportunities for complex orders with investment strategies that do not fit within the three-to-one ratio requirement. Additionally, the proposed rule change may enable TPHs to execute customers' complex orders with these larger ratios at better prices, rather than executing at prices that fit within the confines of a larger increment.

While the proposed rule change amends the minimum increment at which all complex orders and their legs may execute, the Exchange does not propose to extend the complex order priority afforded to complex orders with ratios equal to or greater than one-to-three and less than or equal to three-to-one to these larger-ratio complex orders. Electronic execution of complex orders with any ratio will continue to be required at net prices: (i) That would cause any component of the complex strategy to be executed at a price of zero; (ii) worse than the Synthetic Best Bid or Offer (''SBBO'')[9] or equal to the SBBO when there is a priority customer order at the SBBO (except all-or-none (''AON''); (iii) that would cause any component of the complex strategy to be executed at a price worse than the individual component prices on the Simple Book; or (iv) worse than the price that would be available if the complex order legged into the Simple Book. The proposed rule change amends Rule 5.33(f)(2)(A)(v) to provide that a complex order may not execute at a net price that would cause any component of the complex strategy to be executed at a price ahead of a Priority Customer Order on the Simple Book without improving the BBO of (a) at least one component of the complex strategy, if the complex order has a ratio equal to or greater than one-to-three (.333) and less than or equal to three-to-one (3.00), or is an Index Combo order (which is consistent with current functionality and thus for all complex orders that may be executed electronically), or (b) each component the complex strategy with a Priority Customer Order at the BBO, if the complex order has a ratio less than one-to-three (.333) or greater than three-to-one (3.00) (which is consistent with current open outcry rules, where complex orders with any such ratio may currently be executed).[10] As a result, to the extent a complex order with a ratio of four-to-one (for example) is submitted for electronic execution, the complex order may be executed at a net debit or credit price only if each leg of the order betters the corresponding bid (offer) of a priority customer order(s) in the Simple Book. Therefore, the complex order priority rules will continue to protect Priority Customer interest on the Simple Book.

When the Exchange first proposed to restrict penny pricing for complex orders to those with ratios no greater than three-to-one, investors had only begun to use multi-leg strategies. At the time, the Commission held that ''ratio orders within certain permissible ratios may provide market participants with greater flexibility and precision in effectuating trading and hedging strategies.''[11] In the nearly 20 years since, market participants have expanded the use and complexity of multi-leg trading strategies, which represent a critical portion of their overall investment strategies, while the rules regarding the increments of larger-ratio orders have remained unchanged and no longer reflect the current marketplace. Market participants regularly submit legitimate multi-leg trading and hedging strategies with ratios greater than three-to-one (or less than one-to-three). From January 3

[7] For example, assume the market for the December SPX 4350 calls is 18 bid, 19 asked, and the market for the December SPX 4375 calls is 6.50 bid and 7.50 asked. The fair value of a call comprised of one leg to buy and one leg to sell the same number of contracts of this series is 11.50 (the difference between the prices quoted for each option). If an order to buy 100 of the 4350 calls and to sell 100 of the 4375 calls is quoted and executed at a net debit of 11.50 (expressed in a multiple of the minimum increment), the parties to the trade can easily determine and record a price for each component option that comprises the complex order. Any combination of purchase and sale prices within the quoted ranges for the component options that yield a net debit or credit of 11.50 could be used (*e.g.,* 18.50 for the 4350 calls, and 7 for the 4375 calls).

[8] Using the example in the previous footnote, if instead a customer wants to pay 11.48 rather than 11.50 for a complex order, in order to determine prices for the component options that are expressed in a multiple of $0.05 the trader must perform a series of calculations. In this case, the trader might determine that the trade must be split up into a 40-contract spread that traded at a net debit of 11.45 and a 60-contract spread that traded at a net debit of 11.50, which together yield a net debit of 11.48 for the entire amount. This is ultimately a better net price for the customer.

[9] The ''SBBO'' means the best bid and offer on the Exchange for a complex strategy calculated using (1) for complex orders, the BBO for each component (or the NBBO for a component if the BBO for that component is not available) of a complex strategy from the Simple Book; and (2) for stock-option orders, the BBO for each option component (or the NBBO for a component if the BBO for that component is not available) and the NBBO of the stock component of a complex strategy.

[10] *See* Rule 5.85(b).

[11] *See* Securities Exchange Act Release 48858 (December 1, 2003), 68 FR 68128 (December 5, 2003) (SR–CBOE–2003–007) (''Approval Order''). In approving ratio orders (which had ratios no less than one-to-three and no greater than three-to-one), the Commission stated that ''[t]he Commission believes that ratio orders within certain permissible ratios may provide market participants with greater flexibility and precision in effectuating trading and hedging strategies. In addition, the Commission believes that including such ratio orders in the exception to the priority rules provided in CBOE Rule 6.45(e) will facilitate the execution of ratio orders. In this regard, the Commission believes that the procedures governing the execution of complex orders, such as ratio orders, serve to reduce the risk of incomplete or inadequate executions while increasing efficiency and competitive pricing by requiring price improvement before the order can receive priority over other orders.'' *Id.* Pursuant to SR–CBOE–2019–060, Rule 6.45 was replaced with Rule 5.33.

through June 17, 2021, nearly 31% of complex orders executed on the Exchange's trading floor had a ratio greater than three-to-one. For example, a complex order consisting of one leg to buy 30 VIX calls and another leg to sell 30 VIX puts—both in the same series—combined with a third leg to purchase 100 VIX calls in a separate series that have a delta of ''30'' (30% or .30) creates a delta neutral position, and there is no reason such a transaction should not receive the complex order benefits. However, market participants who submit such orders are disadvantaged compared to strategies with smaller ratios due to the restrictiveness of the current pricing increment. The Exchange sees no reason to restrict complex orders with a ratio of four-to-one, for example, in a class with a minimum increment of $0.05 from being expressed in, or having their legs execute in, $0.01 increments while legs of complex orders with a ratio of three-to-one in the same class may be expressed in, and have their legs execute in, $0.01 increments.[12] The Exchange believes it is appropriate to expand the availability of the smaller pricing increment to complex orders with larger ratios so that all market participants may have the same flexibility with respect to the pricing of their multi-legged investment strategies, regardless of ratio. In the same way the Commission held that ''the procedures governing the execution of complex orders, such as . . . orders [with ratios no greater than three-to-one or less than one-to-three], serve to reduce the risk of incomplete or inadequate executions while increasing efficiency and competitive pricing by requiring price improvement before the order can receive priority over other orders[,]'' [13] the Exchange believes expanding penny pricing to all complex orders regardless of ratios will serve to reduce the risk of incomplete or inadequate executions for larger-ratio complex orders while increasing efficiency and competitive pricing by requiring price improvement before the order can receive priority over other orders.

The Exchange understands that the Commission is concerned that the simple order market may be somehow disadvantaged by allowing larger-ratio multi-legged orders to receive the complex order benefit. The chief concern appears to be that if the ratios are too greatly expanded, market participants will, for example, enter multi-legged strategies designed primarily to trade orders in a class in pennies that cannot otherwise execute as simple orders in that class in pennies rather than to effectuate a bona fide trading or hedging strategy. Additionally, the Commission believes there is a risk that market participants may possibly enter such strategies to trade ahead of orders on the book by a smaller amount.[14] The Exchange first notes a significant amount of volume executed on the Exchange is already done in penny increments. From January 3 through June 17, 2021, over half the volume executed on the Exchange as part of a complex order, the majority of which (all electronic complex orders and all open outcry complex orders with ratios no greater than three-to-one (which represents nearly 70% of open outcry complex orders)) are able to trade in pennies (both the package price and leg prices, except for SPX, for which the package price must be in nickels, but the legs may trade in pennies) under current rules. Additionally, during that same time period, approximately 43% of simple volume on the Exchange executed in AIM Auctions, which permit executions in pennies (for all classes except SPX). Therefore, the majority of contracts that execute on the Exchange already execute in pennies (even though penny increments are available for fewer than 400 classes),[15] and the Exchange does not believe permitting all complex orders to trade in pennies will significantly increase the volume that may already execute in pennies on the Exchange.

The Exchange believes it is highly unlikely that market participants will submit non-bona-fide trading strategies with larger ratios just to trade in pennies. First, with respect to a non-bona-fide trading strategy, it is unlikely other market participants would rest an order for such a strategy on the complex order book or be willing to execute against such an order given that it is a non-bona-fide strategy, thus reducing the likelihood a market participant would be able to execute such strategy. Additionally, adding a single leg to a larger order just to obtain penny pricing may further reduce execution opportunities for that order, because it may be less likely that sufficient contracts in the appropriate ratio would be available. The Exchange also believes it is unlikely market participants will attempt to submit large-ratio complex orders solely to use penny pricing to trade ahead of customers on the simple book. From January 2 to June 17, 2021, there was only a customer order on the top of the book across all series listed on the Exchange for 0.328% of that time. Therefore, there would be minimal amounts of time when a market participant would even have the need to attempt to do this. Additionally, as proposed, unlike complex orders with ratios between one-to-three and three-to-one, complex orders with ratios less than one-to-three or greater than three-to-one will have to improve all legs with customers on the book, rather than just improve one leg like complex orders with smaller ratios, and such orders would also have to honor away markets. Therefore, if a market participant were to attempt to submit a complex order with a large ratio [16] primarily to trade in pennies or ahead of customers, it may need to improve more legs than a smaller ratio order, and would have to honor all away markets, potentially reducing any potential savings the market participant was attempting to achieve. Note also that rather than adding an extra leg to a large order simply to be able to improve the book by $0.01 is unnecessary because such order could already be executed in an AIM Auction in $0.01 increments. Additionally, these orders would be subject to review by the Exchange's regulatory division, which may determine submission of such orders to be in violation of the Exchange's Rules, including Rule 8.1, which prohibits TPHs from engaging in acts or practices inconsistent with just and equitable principles of trade. For these reasons, the Exchange believes there is a de minimis chance that market participants would submit non-bona-fide trading strategies to trade the legs in pennies or

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[12] Currently, simple orders in classes with minimum increments of $0.05 or $0.10 may trade in penny increments in certain circumstances. *See, e.g.,* Rule 5.37(a)(4) (pursuant to which the minimum price improvement increment for the Automated Improvement Mechanism (''AIM'') must be at least $0.01, which is the current minimum increment as determined by the Exchange for all classes eligible for AIM except for S&P 500 Index (''SPX'') options); and Rule 5.33(f)(1)(B) (pursuant to which the option leg(s) of a stock-option order may be $0.01 or greater, which the Exchange determines on a class-by-class basis, regardless of the minimum increments otherwise applicable to the option leg(s)); *see also* Rule 5.39(a)(4).

[13] *See* Approval Order at 68128.

[14] Although the marketplace may in fact be better served by a structure that does not require multi-legged orders to, among other things, yield priority to a simple order (which cannot on its own satisfy the terms of a multi-leg order), this proposal does not require the Commission to pass judgment on that issue.

[15] *See* Rule 5.4(d) (which provides that the penny program applies to 363 of the over 2000 classes that currently trade on the Exchange).

[16] A market participant could already attempt to do this today by submitting a smaller-ratio complex order by adding an inexpensive, out-of-the-money leg to an order. However, the Exchange has not observed this behavior.

trade ahead of customers on the book and that the benefits of permitting all complex orders to trade in pennies significantly outweigh this risk.

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.[17] Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)[18] 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)[19] 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 rule change will remove impediments to and perfect the mechanism of a free and open market and benefit investors, because it will provide market participants with the same pricing flexibility with respect to all their complex trading and hedging strategies. Market participants may determine that investment and hedging strategies with ratios greater than three-to-one or less than one-to-three are appropriate for their investment purposes, and the Exchange believes it will benefit market participants if they have additional flexibility to price their investment and hedging strategies to achieve their desired investment results. The Exchange believes the proposed rule change will help protect investors by allowing market participants to receive the benefit of complex order pricing when executing bona-fide multi-legged trading or hedging strategies. The Exchange sees no reason to restrict complex orders with a ratio of greater three-to-one (or less than one-to three) in a class with a minimum increment of $0.05 from being expressed in, or having their legs execute in, $0.01 increments while legs of complex orders with a ratio equal to or less than or equal to three-to-one (or greater than or equal to one-to-three) in the same class may be expressed in, and have their legs execute in, $0.01 increments. The proposed rule change will further remove impediments to and perfect the mechanism of a free and open market and a national market system, as another options exchange permits complex orders with any ratio and their legs to trade in pennies.[20]

These changes will also enable traders on the Exchange's trading floor to more efficiently execute all complex orders, including on behalf of customers that wish to execute highly complicated complex orders, by permitting the parties to execute the trades more expeditiously.[21] Additionally, as discussed above, this may enable TPHs to execute customers' complex orders at better prices, rather than executing at prices that fit within the confines of a larger increment, which ultimately benefits investors.

The proposed rule change will continue to protect priority customer order interest on the Simple Book in the same manner it does today, as all complex orders with a ratio greater than three-to-one or less than one-to-three (except Index Combo orders) will continue to be executed only if each leg of the order improves the price of a priority customer order on the Simple Book on each leg by at least the applicable minimum trading increment.[22] The proposed rule change has no impact on the priority of complex orders, as complex orders with ratios less than .333 or greater than 3.00 will continue to be required to improve the price of leg of the complex order for which a Priority Customer Order is resting at the BBO in the Simple Book, and thus will continue to protect Priority Customer Orders in the Simple Book.

Furthermore, the Exchange believes this proposal is consistent with the Act and SR–CBOE–2003–007 because in the same way that the Commission held that ''ratio orders within certain permissible ratios may provide market participants with greater flexibility and precision in effectuating trading and hedging strategies[,]''[23] complex orders that are fully hedged may provide market participants with greater flexibility and precision in effectuating trading and hedging strategies. The Exchange also believe this proposal is consistent with the Act and SR–CBOE–2003–007 because in the same way that the Commission held that ''including such ratio orders in the exception to the priority rules provided in CBOE Rule 6.45(e) will facilitate the execution of ratio orders[,]''[24] including fully hedged complex orders in the exception to the priority rules provided in CBOE Rule 6.45(b)(ii) will facilitate the execution of fully hedged complex orders. Finally, in the same way that the Commission held that ''the procedures governing the execution of complex orders, such as ratio orders, serve to reduce the risk of incomplete or inadequate executions while increasing efficiency and competitive pricing by requiring price improvement before the order can receive priority over other orders[,]''[25] the Exchange believes the procedures governing the execution of fully hedged complex orders serve to reduce the risk of incomplete or inadequate executions while increasing efficiency and competitive pricing by requiring price improvement before the order can receive priority over other orders. The Exchange believes the proposed changes will increase opportunities for execution of complex orders and lead to tighter spreads on CBOE, which will benefit investors. The Exchange also believes that the proposed rule change is designed to not permit unfair discrimination among market participants, as all market participants may trade complex orders, and the priority eligibility requirements apply to complex orders of all market participants.

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

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

[17] 15 U.S.C. 78f(b).

[18] 15 U.S.C. 78f(b)(5).

[19] *Id.*

[20] *See* BOX Options LLC (''BOX'') Rule 7600(c) (which rule is silent on the minimum increment for orders submitted for execution on BOX's trading floor, but the Exchange has been informed by multiple TPHs that are also members of BOX that they may execute multi-legged orders (with ratios greater than three-to-one or less than one-to-three) on BOX's trading floor in penny increments).

[21] As noted above, there are instances in which simple orders with minimum increments of $0.05 or $0.10 may trade in penny increments. *See supra* note 8.

[22] *See* proposed Rule 5.34(f)(A)(v) and current Rule 5.85(b). As noted above, currently, complex orders with ratios greater than three-to-one or less than one-to-three may only be submitted for open outcry trading. If the Commission approves the proposed rule change, the Exchange will permit such orders to be submitted for electronic execution in addition to open outcry execution.

[23] *See* Approval Order at 68128.

[24] *See Id.*

[25] *See Id.*

same manner to all TPHs. TPHs will have the discretion to submit complex orders with any ratio in the increments permitted by the proposed rule change. The proposed rule change will eliminate a current pricing disparity that exists between complex orders within the same class and thus provide the same pricing flexibility to all complex orders, regardless of their ratios. The Exchange does not believe the proposed rule change will impose any burden on intermarket competition, as it relates to the representation and execution of orders on the Exchange and will continue to protect Priority Customer Orders on the Simple Book. The Exchange believes the proposed rule change may promote competition, as market participants will have additional flexibility to execute their trading and hedging strategies in a more efficient manner and will permit all complex orders in the same class to trade in the same increments. Additionally, the Exchange understands from TPHs that another options market currently permits complex orders with ratios greater than three-to-one or less than one-to-three and their legs to execute in penny increments on its trading floor.[26]

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

The Exchange neither solicited nor received comments on the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

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

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

B. institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

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

Electronic Comments

- Use the Commission's internet comment form (*http://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov.* Please include File Number SR–CBOE–2021–046 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–2021–046. 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 (*http://www.sec.gov/rules/sro.shtml*). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR–CBOE–2021–046, and should be submitted on or before September 15, 2021.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[27]

Jill M. Peterson,

Assistant Secretary.

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[26] *See supra* note 16.

[27] 17 CFR 200.30–3(a)(12).

DEPARTMENT OF STATE

[Public Notice: 11515]

Industry Advisory Group; Notice of Charter Renewal

The Department of State has renewed the charter for the Bureau of Overseas Buildings Operations' (OBO) Industry Advisory Group for an additional two-year period. The committee advises OBO's senior management on issues relating to real property portfolio management, planning, acquisition, sales, leasing, design, engineering, construction, historic preservation, resiliency, natural hazards, emergency operations, program development, as well as facilities operations and maintenance.

OBO provides safe, secure, functional, and resilient facilities that represent the U.S. government to the host nation and support staff in the achievement of U.S. foreign policy objectives. These facilities represent American values and the best in American architecture, design, engineering, technology, sustainability, art, culture, and construction execution.

The authority for this Notice is the Federal Advisory Committee Act, 5 U.S.C. appendix. For further information, please contact Christine Foushee at *FousheeCT@state.gov.*

Kevin E. Bryant,

Deputy Director, Office of Directives Management, U.S. Department of State.

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DEPARTMENT OF STATE

[Public Notice: 11512]

Industry Advisory Group; Notice of Open Meeting

The Industry Advisory Group (IAG) of the Bureau of Overseas Buildings Operations (OBO), U.S. Department of State, will meet on Friday, September 17, 2021, from 9:00 a.m. until 1:00 p.m. Eastern Daylight Time. The meeting is open to the public and will be held via Webex Event.

The IAG serves the U.S. government in a solely advisory capacity concerning industry and academia's latest concepts, methods, best practices, innovations, and ideas related to the OBO mission of providing safe, secure, resilient and functional facilities that represent the U.S. government to the host nation and support the Department's achievement of U.S. foreign policy objectives abroad.

The majority of the meeting will be devoted to discussions between the