STATUS: This meeting will be closed to the public.

MATTERS TO BE CONSIDERED: Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the closed meeting. Certain staff members who have an interest in the matters also may be present. In the event that the time, date, or location of this meeting changes, an announcement of the change, along with the new time, date, and/or place of the meeting will be posted on the Commission's website at *https://www.sec.gov*.

The General Counsel of the Commission, or her designee, has certified that, in her opinion, one or more of the exemptions set forth in 5 U.S.C. 552b(c)(3), (5), (6), (7), (8), 9(B) and (10) and 17 CFR 200.402(a)(3), (a)(5), (a)(6), (a)(7), (a)(8), (a)(9)(ii) and (a)(10), permit consideration of the scheduled matters at the closed meeting.

The subject matter of the closed meeting will consist of the following topics:

Institution and settlement of injunctive actions;

Institution and settlement of administrative proceedings;

Resolution of litigation claims; and

Other matters relating to examinations and enforcement proceedings.

At times, changes in Commission priorities require alterations in the scheduling of meeting agenda items that may consist of adjudicatory, examination, litigation, or regulatory matters.

CONTACT PERSON MORE INFORMATION: For further information; please contact Vanessa A. Countryman from the Office of the Secretary at (202) 551–5400.

(Authority: 5 U.S.C. 552b)

Dated: January 11, 2024.

Vanessa A. Countryman,

Secretary.

[FR Doc. 2024–00756 Filed 1–11–24; 11:15 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–99301; File No. SR–CBOE–2024–001]

Self-Regulatory Organizations; Cboe Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Its Fees Schedule

January 9, 2024.

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 January 2, 2023, 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 Fees Schedule. The text of the proposed rule change is provided in Exhibit 5.

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 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 Fees Schedule in connection with certain Lead Market-Maker (''LMM'') Incentive Programs, effective January 2, 2024. Specifically, the Exchange proposes to amend the following: the Mini Russell 2000 Index (''MRUT'') options LMM Incentive Program; the Nanos S&P 500 (''NANOS'') Index options LMM Incentive Program; the Global Trading Hours (''GTH'') Cboe Volatility Index (''VIX'') options and VIX Weekly (''VIXW'') options LMM Incentive Programs; and the GTH Mini-SPX Index (''XSP'') LMM Incentive Programs.

Each LMM Incentive Program provides a rebate to Trading Permit Holders (''TPHs'') with LMM appointments to the respective incentive program that meet certain quoting standards in the applicable series in a month. The Exchange notes that meeting or exceeding the quoting standards (both current and as proposed; described in further detail below) in each of the LMM Incentive Program products to receive the applicable rebate (both currently offered and as proposed; described in further detail below) is optional for an LMM appointed to a program. Particularly, an LMM appointed to an incentive program is eligible to receive the corresponding rebate if it satisfies the applicable quoting standards, which the Exchange believes encourages appointed LMMs to provide liquidity in the applicable class and trading session (*i.e.,* Regular Trading Hours (''RTH'') or GTH). The Exchange may consider other exceptions to the programs' quoting standards based on demonstrated legal or regulatory requirements or other mitigating circumstances. In calculating whether an LMM appointed to an incentive program meets the applicable program's quoting standards each month, the Exchange excludes from the calculation in that month the business day in which the LMM missed meeting or exceeding the quoting standards in the highest number of the applicable series.

MRUT LMM Incentive Program

The Exchange first proposes to amend the current MRUT LMM Incentive Program. Currently, the program provides that if the appointed LMM in MRUT provides continuous electronic quotes during RTH that meet or exceed the program's heightened quoting standards[3] in at least 97% of the series 90% of the time in a given month, the LMM will receive a rebate for that month in the amount of $15,000 (or pro-rated amount if an appointment begins after the first trading day of the month or ends prior to the last trading day of the month). In addition to the rebate, if the appointed LMM meets or exceeds the above heightened quoting standards in a given month, the LMM will receive the Monthly average daily volume (''ADV'') Payment amount that corresponds to the level of ADV provided by the LMM in MRUT for that

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

[2] 17 CFR 240.19b–4.

[3] Located in the ''MRUT LMM Incentive Program'' table in the Fees Schedule.

month per the program's Volume Incentive Pool.

The Exchange now proposes to amend the time qualification requirement for the MRUT LMM Incentive Program. Specifically, the Exchange proposes to update the time qualification requirement to require the appointed LMM to provide continuous electronic quotes during RTH that meet or exceed the heightened quoting standards in at least 97% the MRUT series 88% of the time in a given month in order to receive the rebate, thereby decreasing the time qualification requirement by 2%.

The Exchange also proposes to update the rebate amount received for meeting the heightened quoting standards, as proposed, in a given month in MRUT, by decreasing the rebate amount from $15,000 to $5,000.

Additionally, the Exchange proposes to remove the MRUT Volume Incentive Pool program from the Fees Schedule, as the Exchange no longer wishes to offer the additional volume-based incentive program.

NANOS LMM Incentive Program

Next, the Exchange proposes to amend the current NANOS LMM Incentive Program.[4] Currently, the NANOS LMM Incentive Program provides that, for NANOS, if the appointed LMM provides continuous electronic quotes during RTH that meet or exceed the heightened quoting standards [5] in at least 98% of the NANOS series 90% of the time in a given month, the LMM will receive a rebate for that month in the amount of $17,500 (or pro-rated amount if an appointment begins after the first trading day of the month or ends prior to the last trading day of the month). The heightened quoting standards are based on the VIX Index value at the prior market close, with three separate value categories (*i.e.,* VIX value at prior close less than 20, VIX value at prior close from 20 to 30, and VIX value at prior close greater than 30). In addition to the rebate, if the appointed LMM meets or exceeds the above heightened quoting standards in a given month, the LMM will receive the Monthly ADV Payment amount that corresponds to the level of ADV provided by the LMM in NANOS for that month per the program's Volume Incentive Pool.

The Exchange proposes to restructure the NANOS LMM Incentive Program and adopt a new set of heightened quoting standards. The VIX Index value categories and heightened quoting standards proposed for NANOS options are as follows in the table below:

Premium level	Width	Size
VIX Value at Prior Close <30		
$0.00–$2.00	$0.10	500
$2.01–$5.00	0.12	500
$5.01–$15.00	0.20	250
Greater than $15.00	0.31	100
VIX Value at Prior Close from ≥30		
$0.00–$2.00	0.16	300
$2.01–$5.00	0.17	300
$5.01–$15.00	0.31	150
Greater than $15.00	0.38	100

The Exchange also proposes to amend the series qualification requirement for the NANOS LMM Incentive Program. Specifically, the Exchange proposes to update the series qualification requirement to require the appointed LMM to provide continuous electronic quotes during RTH that meet or exceed the heightened quoting standards in at least 97% the NANOS series 90% of the time in a given month in order to receive the rebate, thereby decreasing the series qualification requirement by 1%.

The Exchange proposes to update the rebate amount received for meeting the heightened quoting standards in a given month in NANOS options, by decreasing the rebate amount from $17,500 to $5,000. Additionally, the Exchange proposes to remove the NANOS Volume Incentive Pool program from the Fees Schedule, as the Exchange no longer wishes to offer the additional volume-based incentive program.

VIX/VIXW LMM Incentive Programs

The Exchange proposes to amend its GTH VIX/VIXW LMM Incentive Programs. Currently, the first GTH VIX/VIXW LMM Incentive Program (''GTH1 VIX/VIXW LMM Incentive Program'') provides that if an LMM in VIX/VIXW provides continuous electronic quotes during GTH from 7:15 p.m. CST to 2:00 a.m. CST (''GTH1'') that meet or exceed the basic quoting standards [6] in at least 99% of each of the VIX and VIXW series, 90% of the time in a given month, the LMM will receive a rebate for that month in the amount of $20,000 for VIX and $15,000 for VIXW (or pro-rated amount if an appointment begins after the first trading day of the month or ends prior to the last trading day of the month) for that month. Additionally, if the appointed LMM provides continuous electronic quotes during GTH that meet or exceed the heightened quoting standards [7] in at least 99% of the VIX series, 90% of the time in a given month, the LMM will receive a rebate for that month of $0.02 per VIX/VIXW contract executed in its Market-Maker capacity during RTH.

The second GTH VIX/VIXW LMM Incentive Program (''GTH2 VIX/VIXW LMM Incentive Program'') provides that if the appointed LMM provides continuous electronic quotes during GTH from 2:00 a.m. CST to 8:15 a.m. CST (''GTH2'') that meet or exceed the basic quoting standards [8] in at least 99% of each of the VIX and VIXW series, 90% of the time in a given month, the LMM will receive a rebate for that month in the amount of $20,000 for VIX and $15,000 for VIXW (or pro-rated amount if an appointment begins after the first trading day of the month or ends prior to the last trading day of the

[4] As part of the proposed changes, the Exchange proposes to remove a reference to heightened quoting standards specific to March 2022, as such reference is now outdated.

[5] Located in the ''NANOS LMM Incentive Program'' table in the Fees Schedule.

[6] Located in the ''GTH1 VIX/VIXW LMM Incentive Program'' table in the Fees Schedule.

[7] *Id.*

[8] Located in the ''GTH2 LMM Incentive Program'' table in the Fees Schedule.

month) for that month. Additionally, if the appointed LMM provides continuous electronic quotes during GTH that meet or exceed the heighted quoting standards [9] in at least 99% of the VIX series, 90% of the time in a given month, the LMM will receive a rebate for that month of $0.02 per VIX/VIXW contract executed in its Market-Maker capacity during RTH.

The Exchange proposes to restructure the GTH1 and GTH2 VIX/VIXW LMM Incentive Programs by combining the two GTH programs into a singular GTH VIX/VIXW LMM Incentive Program, with one set of basic quoting standards for VIX options and one set of basic quoting standards for VIXW options. The proposed program provides that, if the appointed LMM provides continuous electronic quotes during GTH (*i.e.,* from 7:15 p.m. CT to 8:15 a.m. CT the next day) that meet or exceed the basic quoting standards [10] in at least 95% of each of the VIX and VIXW series, 90% of the time in a given month, the LMM will receive a rebate for that month in the amount of $25,000 for VIX and $10,000 for VIXW (or pro-rated amount if an appointment begins after the first trading day of the month or ends prior to the last trading day of the month) for that month.

The Exchange notes that the current basic quoting standards for the GTH1 VIX/VIXW LMM Incentive Program (which are substantially similar to the basic quoting standards for the GTH2 VIX/VIXW LMM Incentive Program, the only difference being that the current GTH1 basic quoting standards (*i.e.,* the proposed GTH basic quoting standards) have slightly lower size requirements in certain instances than the current GTH2 basic quoting standards) will be the basic quoting standards for the new combined GTH VIX/VIXW LMM Incentive Program. The new proposed rebate amounts represent a slight increase of $5,000 for VIX options and a slight decrease of $5,000 for VIXW options, as compared to the current rebates in place for the GTH1 and GTH2 VIX/VIXW LMM Incentive Programs. There are no additional heightened quoting standards with additional rebate(s) under the proposed program.

The proposed basic quoting standards for VIX options are as follows in the table below:

Premium level	Expiring less than 15 days		Near term 15 days to 60 days		Mid term 61 days to 180 days		Long term 181 days or greater	
	Width	Size	Width	Size	Width	Size	Width	Size
VIX Value at Prior Close <18								
$0.00–$1.00	$0.35	30	$0.25	40	$0.35	30	$0.80	5
$1.01–$3.00	0.50	15	0.35	25	0.50	15	0.90	5
$3.01–$5.00	0.60	15	0.35	15	0.60	10	1.00	5
$5.01–$10.00	1.00	10	0.80	10	1.30	10	2.00	5
$10.01–$30.00	2.00	5	1.50	5	2.00	5	3.00	3
Greater than $30.00	5.00	3	3.00	3	5.00	3	5.00	3
VIX Value at Prior Close from 18–25								
$0.00–$1.00	0.50	15	0.35	30	0.50	15	1.00	5
$1.01–$3.00	0.50	10	0.50	20	0.70	10	1.00	5
$3.01–$5.00	0.80	5	0.50	15	0.80	5	1.30	5
$5.01–$10.00	1.50	5	1.00	5	2.00	5	2.20	5
$10.01–$30.00	3.00	1	2.50	1	3.00	1	5.00	1
Greater than $30.00	5.00	1	5.00	1	5.00	1	10.00	1
VIX Value at Prior Close from >25								
$0.00–$1.00	0.80	10	0.50	10	0.60	10	1.20	5
$1.01–$3.00	1.00	10	0.75	10	1.00	10	1.20	5
$3.01–$5.00	1.20	5	0.90	10	1.20	5	1.80	5
$5.01–$10.00	2.00	5	1.50	5	2.50	5	3.00	3
$10.01–$30.00	5.00	1	5.00	1	5.00	1	7.00	1
Greater than $30.00	10.00	1	10.00	1	10.00	1	10.00	1

The proposed basic quoting standards for VIXW options are as follows in the table below:

Premium level	Less than 21 days to expiration		21 days or greater to expiration	
	Width	Size	Width	Size
$0.00–$1.00	$1.00	10	$1.50	10
$1.01–$3.00	1.50	10	2.50	10
$3.01–$5.00	2.50	3	4.00	3
$5.01–$10.00	4.00	1	6.00	1
$10.01–$30.00	6.00	1	10.00	1

[9] *Id.*

[10] Located in the proposed ''GTH VIX/VIXW LMM Incentive Program'' table in the Fees Schedule.

Premium level	Less than 21 days to expiration		21 days or greater to expiration	
	Width	Size	Width	Size
Greater than $30.00	10.00	1	10.00	1
VIX Value at Prior Close from 18–25				
$0.00–$1.00	1.50	5	2.00	5
$1.01–$3.00	2.50	5	4.00	5
$3.01–$5.00	4.00	1	5.00	1
$5.01–$10.00	6.00	1	8.00	1
$10.01–$30.00	10.00	1	10.00	1
Greater than $30.00	10.00	1	10.00	1
VIX Value at Prior Close from >25				
$0.00–$1.00	10.00	1	10.00	1
$1.01–$3.00	10.00	1	10.00	1
$3.01–$5.00	10.00	1	10.00	1
$5.01–$10.00	10.00	1	10.00	1
$10.01–$30.00	10.00	1	10.00	1
Greater than $30.00	10.00	1	10.00	1

GTH1 and GTH2 XSP LMM Incentive Programs

Lastly, the Exchange proposes to amend the XSP LMM Incentive Programs. The GTH1 XSP LMM Incentive Program provides that if the appointed LMM provides continuous electronic quotes during GTH1 that meet or exceed the heightened quoting standards [11] in at least 85% of the series 90% of the time in a given month, the LMM will receive (i) a rebate for that month in the amount of $20,000 (or pro-rated amounts if an appointment begins after the first trading day of the month or ends prior to the last trading day of the month) and (ii) a rebate for that month of $0.03 per XSP contract executed in a Market-Maker capacity which provide liquidity in the Simple Book during RTH. The GTH2 XSP LMM Incentive Program provides that if an LMM appointed to the Program provides continuous electronic quotes during GTH2 that meet or exceed the heightened quoting standards [12] (which are the same as the heightened quoting standards in the GTH1 XSP LMM Incentive Program) in at least 85% of the series 90% of the time in a given month, the LMM will receive a payment for that month in the amount of $25,000 (or pro-rated amount if an appointment begins after the first trading day of the month or ends prior to the last trading day of the month). For each of the XSP LMM Incentives Programs, the heightened quoting standards are based on the VIX Index value at the prior market close, with three separate value categories (*i.e.,* VIX value at prior close less than 20, VIX value at prior close from 20 to 30, and VIX value at prior close greater than 30).

The Exchange proposes to restructure the GTH1 and GTH2 XSP LMM Incentive Programs and adopt a new set of heightened quoting standards (which will apply to both programs). The proposed VIX Index value categories and heightened quoting standards for XSP options during each of GTH1 and GTH2 are as follows in the table below:

Premium level	Expiring 7 days or less		Near term 8 days to 60 days		Mid term 61 days to 270 days		Long term 271 to 500 days	
	Width	Size	Width	Size	Width	Size	Width	Size
VIX Value at Prior Close <30								
$0.01–$1.00	$0.10	5	$0.11	5	$0.15	5	$0.25	5
$1.01–$5.00	0.15	5	0.15	5	0.20	5	0.30	5
$5.01–$8.00	0.25	5	0.30	5	0.40	5	0.60	5
$8.01–$12.00	0.60	5	0.80	5	1.10	5	1.35	5
$12.01–$20.00	1.00	5	1.30	5	1.80	5	2.20	5
Greater than $20.00	2.00	5	2.40	5	2.80	5	3.60	5
VIX Value at Prior Close ≥30								
$0.01–$1.00	0.15	5	0.16	5	0.20	5	0.30	5
$1.01–$5.00	0.18	5	0.20	5	0.25	5	0.40	5
$5.01–$8.00	0.25	5	0.30	5	0.45	5	0.70	5
$8.01–$12.00	0.60	5	0.90	5	1.20	5	1.50	5
$12.01–$20.00	1.20	5	1.50	5	2.00	5	2.40	5
Greater than $20.00	2.40	5	2.80	5	3.20	5	4.00	5

[11] Located in the ''GTH1 XSP LMM Incentive Program'' table in the Fees Schedule.

[12] Located in the ''GTH2 XSP LMM Incentive Program'' table in the Fees Schedule.

The Exchange also proposes to increase the rebates offered by the GTH1 and GTH2 XSP LMM Incentive Programs to an LMM appointed to the program for meeting the heightened quoting standards in a given month. The Exchange proposes to decrease such rebates from $20,000 to $15,000 for the GTH1 XSP LMM Incentive Program, and from $25,000 to $15,000 for the GTH2 XSP LMM Incentive Program. Additionally, for the GTH1 XSP LMM Incentive Program, the Exchange proposes to eliminate the additional credit of $0.03 per contract applied to all XSP contracts executed in a Market-Maker capacity which provide liquidity in the Simple Book during RTH.

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.[13] Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5) [14] requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5) [15] requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers. The Exchange also believes the proposed rule change is consistent with Section 6(b)(4) of the Act,[16] which requires that Exchange rules provide for the equitable allocation of reasonable dues, fees, and other charges among its Trading Permit Holders and other persons using its facilities.

The Exchange believes that it is reasonable to amend the monthly rebate amounts applicable to the MRUT, NANOS, GTH VIX/VIXW, and GTH1 and GTH2 XSP LMM Incentive Programs. The Exchange notes that LMMs appointed to the respective programs will continue to receive a monthly rebate. The Exchange believes that the proposed rebate amounts are reasonably designed to continue to incentivize an LMM appointed to the respective program to meet the applicable quoting standards for MRUT, NANOS, VIX/VIXW, and XSP options, thereby providing liquid and active markets, which facilitates tighter spreads, increased trading opportunities, and overall enhanced market quality to the benefit of all market participants.

The Exchange further believes that the proposed rule change to amend the rebate amounts received for MRUT ($5,000), NANOS ($5,000), VIX ($25,000), VIXW ($10,000), XSP ($15,000 for each of GTH1 and GTH2) options is reasonable because they are comparable to the rebates offered by other LMM Incentive Programs offered by the Exchange. For example, the SPESG LMM Program currently offers $10,000 to appointed LMMs for SPESG options if the heightened quoting standards are met in a given month. The Exchange believes the amount of the rebate for each LMM Program remains commiserate with the quoting requirements of each of the LMM Incentive Programs, of which some standards are being restructured, as proposed.

Similarly, the Exchange believes that the proposed rule changes to eliminate the volume incentive pool programs for the MRUT and NANOS LMM Incentive Programs and to eliminate the additional per contract credit incentives for the GTH VIX/VIXW and GTH1 XSP LMM Incentive Programs are reasonable because it is consistent with the rebate structures currently in place for other LMM Incentive Programs, in that most do not offer a volume incentive pool program or additional per contract credit incentive. The Exchange notes that it is not required to maintain the volume incentive pool or additional per contract credit incentive, and now wishes to eliminate them from the respective programs.

The Exchange believes it is reasonable to decrease the series requirement for the NANOS and VIX/VIXW LMM Incentive Programs, and decrease the time requirement for MRUT LMM Incentive Program, as such changes are reasonably designed to slightly ease the difficulty in meeting the heightened quoting standards offered under these programs (for which an appointed LMM receives the respective rebates), which, in turn, provides increased incentive for LMMs appointed to these programs to provide significant liquidity in NANOS, VIX/VIXW, and MRUT options. Such liquidity benefits all market participants by providing more trading opportunities, tighter spreads, and added market transparency and price discovery, and signals to other market participants to direct their order flow to those markets, thereby contributing to robust levels of liquidity.

Additionally, the Exchange believes that it is reasonable to restructure the VIX Index value categories and amend widths and sizes in the heightened quoting standards under the NANOS, VIX/VIXW and XSP LMM Incentive Programs, as these proposed new quoting requirements are overall reasonably designed to continue to encourage LMMs appointed to the respective incentive programs to provide significant liquidity in NANOS, VIX/VIXW and XSP options, which benefits investors overall by providing more trading opportunities, tighter spreads, and added market transparency and price discovery. Further, by restructuring the programs, the Exchange believes that the proposed rule changes are reasonably designed to reflect then-current market conditions and market characteristics in NANOS, VIX/VIXW and XSP options where the VIX Index may be experiencing higher volatility, and thus encourage LMMs appointed to the programs to meet the quoting standards to receive a rebate. Additionally, the proposed rule change is, in light of the restructuring of VIX Index value categories, generally designed to further align the lesser premium quote widths and size standards for NANOS, VIX/VIXW and XSP options with the more expensive premium quote width and size standards, in order to incentivize an increase in quoting activity and the provision of tighter markets for all premium levels.

The Exchange also believes the proposed change to adopt a singular GTH VIX/VIXW LMM Incentive Program (as compared to separate GTH1 and GTH2 VIX/VIXW LMM Incentive Programs) is reasonable. The Exchange believes the proposed changes are reasonably designed to continue to incentivize appointed LMMs to meet the proposed quoting standards for VIX/VIXW, thereby providing liquid and active markets, which facilitates tighter spreads, increased trading opportunities, and overall enhanced market quality to the benefit of all market participants. Additionally, the Exchange believes that the proposed widths and sizes for the singular program are reasonable because they remain aligned with the current heightened standards in each program.

[13] 15 U.S.C. 78f(b).

[14] 15 U.S.C. 78f(b)(5).

[15] *Id.*

[16] 15 U.S.C. 78f(b)(4).

The Exchange believes that the proposed changes to the LMM Incentive Programs are equitable and not unfairly discriminatory. Specifically, the changes to the LMM Incentive Program will apply equally to any and all TPHs with LMM appointments to the MRUT, NANOS, GTH VIX/VIXW, and GTH1 and GTH2 XSP LMM Incentive Programs, as applicable, that seek to meet the programs' quoting standards in order to receive the rebates (as proposed) offered under each respective program. The Exchange additionally notes that, if an LMM appointed to any of the LMM Incentive Programs does not satisfy the corresponding heightened quoting standard for any given month, then it simply will not receive the rebate offered by the respective program for that month.

Regarding each of the LMM Incentive Programs generally, the Exchange believes it is reasonable, equitable and not unfairly discriminatory to continue to offer these financial incentives, including as amended, to LMMs appointed to the programs, because it benefits all market participants trading in the corresponding products during RTH (for MRUT and NANOS) and GTH (for VIX/VIXW and XSP). These incentive programs encourage the LMMs appointed to such programs to satisfy the applicable quoting standards, which may increase liquidity and provide more trading opportunities and tighter spreads. Indeed, the Exchange notes that these LMMs serve a crucial role in providing quotes and the opportunity for market participants to trade MRUT, NANOS, VIX/VIXW, and XSP options, as applicable, which can lead to increased volume, providing for robust markets. The Exchange ultimately offers the LMM Incentive Programs, as amended, to sufficiently incentivize LMMs appointed to each incentive program to provide key liquidity and active markets in the corresponding program products during the corresponding trading sessions, and believes that these incentive programs, as amended, will continue to encourage increased quoting to add liquidity in each of the corresponding program products, thereby protecting investors and the public interest. The Exchange also notes that an LMM appointed to an incentive program may undertake added costs each month to satisfy that heightened quoting standards (*e.g.,* having to purchase additional logical connectivity).

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. First, the Exchange believes the proposed rule change does impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. Particularly, the proposed changes to existing LMM Incentive Programs will apply to all LMMs appointed to the applicable program classes (*i.e.,* MRUT, NANOS, VIX/VIXW, and XSP) in a uniform manner. To the extent these LMMs appointed to an incentive program receive a benefit that other market participants do not, as stated, these LMMs in their role as Mark-Makers on the Exchange have different obligations and are held to different standards. For example, Market-Makers play a crucial role in providing active and liquid markets in their appointed products, thereby providing a robust market which benefits all market participants. Such Market-Makers also have obligations and regulatory requirements that other participants do not have. The Exchange also notes that an LMM appointed to an incentive program may undertake added costs each month to satisfy that heightened quoting standards (*e.g.,* having to purchase additional logical connectivity). The Exchange also notes that the incentive programs are designed to attract additional order flow to the Exchange, wherein greater liquidity benefits all market participants by providing more trading opportunities, tighter spreads, and added market transparency and price discovery, and signals to other market participants to direct their order flow to those markets, thereby contributing to robust levels of liquidity. As a result, the Exchange believes that the proposed change furthers the Commission's goal in adopting Regulation NMS of fostering competition among orders, which promotes ''more efficient pricing of individual stocks for all types of orders, large and small.'' [17]

The Exchange does not believe that the proposed rule change will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act as the LMM Incentive Programs apply only to transactions in products exclusively listed on the Exchange. As noted above, the incentive programs are designed to attract additional order flow to the Exchange, wherein greater liquidity benefits all market participants by providing more trading opportunities, tighter spreads, and added market transparency and price discovery, and signals to other market participants to direct their order flow to those markets, thereby contributing to robust levels of liquidity. The Exchange notes that it operates in a highly competitive market. TPHs have numerous alternative venues that they may participate on and direct their order flow, including 16 other options exchanges, as well as off-exchange venues, where competitive products are available for trading. Based on publicly available information, no single options exchange has more than 12% of the market share.[18] Therefore, no exchange possesses significant pricing power in the execution of option order flow. Indeed, participants can readily choose to send their orders to other exchange, and, additionally off-exchange venues, if they deem fee levels at those other venues to be more favorable. Moreover, the Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. Specifically, in Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and, also, recognized that current regulation of the market system ''has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies.'' [19] The fact that this market is competitive has also long been recognized by the courts. In *NetCoalition* v. *Securities and Exchange Commission,* the D.C. Circuit stated as follows: ''[n]o one disputes that competition for order flow is 'fierce.' . . . As the SEC explained, '[i]n the U.S. national market system, buyers and sellers of securities, and the broker-dealers that act as their order-routing agents, have a wide range of choices of where to route orders for execution'; [and] 'no exchange can afford to take its market share percentages for granted' because 'no exchange possesses a monopoly, regulatory or otherwise, in the execution of order flow from broker dealers'. . . .''.[20] Accordingly, the Exchange does not believe its proposed

[17] *See* Securities Exchange Act Release No. 51808, 70 FR 37495, 37498–99 (June 29, 2005) (S7–10–04) (Final Rule).

[18] *See* Cboe Global Markets U.S. Options Market Volume Summary, Month-to-Date (December 18, 2023), available at *https://markets.cboe.com/us/options/market_statistics/.*

[19] *See* Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005).

[20] *See NetCoalition* v. *SEC,* 615 F.3d 525, 539 (D.C. Cir. 2010) (quoting Securities Exchange Act Release No. 59039 (December 2, 2008), 73 FR 74770, 74782–83 (December 9, 2008) (SR–NYSEArca–2006–21)).

fee change imposes any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act[21] and paragraph (f) of Rule 19b–4[22] thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

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

Electronic Comments

- Use the Commission's internet comment form (*https://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov.* Please include file number SR–CBOE–2024–001 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–2024–001. 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 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 a.m. and 3 p.m. Copies of the filing also 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–2024–001 and should be submitted on or before February 6, 2024.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[23]

Sherry R. Haywood,

Assistant Secretary.

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[21] 15 U.S.C. 78s(b)(3)(A).

[22] 17 CFR 240.19b–4(f).

[23] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. IC–35087; 812–15495]

Elevation Series Trust and Sovereign's Capital Management, LLC

January 9, 2024.

AGENCY: Securities and Exchange Commission (''Commission'' or ''SEC'').

ACTION: Notice.

Notice of an application under section 6(c) of the Investment Company Act of 1940 (''Act'') for an exemption from section 15(a) of the Act, as well as from certain disclosure requirements in rule 20a–1 under the Act, Item 19(a)(3) of Form N–1A, Items 22(c)(1)(ii), 22(c)(1)(iii), 22(c)(8) and 22(c)(9) of Schedule 14A under the Securities Exchange Act of 1934, and Sections 6–07(2)(a), (b), and (c) of Regulation S–X (''Disclosure Requirements'').

SUMMARY OF APPLICATION: The requested exemption would permit Applicants to enter into and materially amend subadvisory agreements with certain subadvisors without shareholder approval and grant relief from the Disclosure Requirements as they relate to fees paid to the subadvisors.

APPLICANTS: Elevation Series Trust and Sovereign's Capital Management, LLC.

FILING DATES: The application was filed on August 10, 2023, and amended on November 30, 2023.

HEARING OR NOTIFICATION OF HEARING: An order granting the requested relief will be issued unless the Commission orders a hearing. Interested persons may request a hearing on any application by emailing the SEC's Secretary at *Secretarys-Office@sec.gov* and serving the Applicants with a copy of the request by email, if an email address is listed for the relevant Applicant below, or personally or by mail, if a physical address is listed for the relevant Applicant below. Hearing requests should be received by the Commission by 5:30 p.m. on February 5, 2024, and should be accompanied by proof of service on the Applicants, in the form of an affidavit, or, for lawyers, a certificate of service. Pursuant to rule 0–5 under the Act, hearing requests should state the nature of the writer's interest, any facts bearing upon the desirability of a hearing on the matter, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by emailing the Commission's Secretary.

ADDRESSES: The Commission: *Secretarys-Office@sec.gov.* Applicants: JoAnn M. Strasser, *JoAnn.Strasser@thompsonhine.com* and Christopher Moore, Elevation Series Trust c/o Sovereign's Capital Management, LLC, 1700 Broadway, Suite 1850, Denver, CO 80290.

FOR FURTHER INFORMATION CONTACT: Jean E. Minarick, Senior Counsel, or Kyle R. Ahlgren, Branch Chief, at (202) 551–6825 (Division of Investment Management, Chief Counsel's Office).

SUPPLEMENTARY INFORMATION: For Applicants' representations, legal analysis, and conditions, please refer to Applicants' amended application, dated November 30, 2023, which may be obtained via the Commission's website by searching for the file number at the top of this document, or for an Applicant using the Company name search field on the SEC's EDGAR system.

The SEC's EDGAR system may be searched at *https://www.sec.gov/edgar/searchedgar/legacy/companysearch.html.* You may also call the SEC's Public Reference Room at (202) 551–8090.