

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–101646; File No. SR–CBOE–2024–042]

Self-Regulatory Organizations; Cboe Exchange, Inc.; Notice of Designation of a Longer Period for Commission Action on a Proposed Rule Change To Amend Its Rules To Permit Orders Comprised of Options and Futures Legs

November 18, 2024.

On September 27, 2024, Cboe Exchange, Inc. (“Exchange”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ and Rule 19b–4 thereunder,² a proposed rule change to amend its rules to permit orders comprised of options and futures legs. The proposed rule change was published for comment in the **Federal Register** on October 8, 2024.³ The Commission has received no comment letters regarding the proposed rule change.

Section 19(b)(2) of the Act⁴ provides that within 45 days of the publication of notice of the filing of a proposed rule change, or within such longer period up to 90 days as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding, or as to which the self-regulatory organization consents, the Commission shall either approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether the proposed rule change should be disapproved. The 45th day after publication of the notice for this proposed rule change is November 22, 2024. The Commission is extending this 45-day time period.

The Commission finds it appropriate to designate a longer period within which to take action on the proposed rule change so that it has sufficient time to consider the proposed rule change. Accordingly, the Commission, pursuant to Section 19(b)(2) of the Act,⁵ designates January 6, 2025, as the date by which the Commission shall either approve or disapprove, or institute proceedings to determine whether to disapprove, the proposed rule change (File No. SR–CBOE–2024–042).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

³ See Securities Exchange Act Release No. 101228 (Oct. 1, 2024), 89 FR 81592.

⁴ 15 U.S.C. 78s(b)(2).

⁵ *Id.*

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁶

Sherry R. Haywood,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–101648; File No. 4–698]

Joint Industry Plan; Order Instituting Proceedings To Determine Whether To Approve or Disapprove an Amendment to the National Market System Plan Governing the Consolidated Audit Trail Regarding Reporting of Certain Verbal Activity, Floor and Upstairs Activity

November 18, 2024.

I. Introduction

On August 2, 2024, the Consolidated Audit Trail, LLC (“CAT LLC”), on behalf of the following parties to the National Market System Plan Governing the Consolidated Audit Trail (the “CAT NMS Plan” or “Plan”):¹ BOX Exchange LLC, Cboe BYX Exchange, Inc., Cboe BZX Exchange, Inc., Cboe EDGA Exchange, Inc., Cboe EDGX Exchange, Inc., Cboe C2 Exchange, Inc., Cboe Exchange, Inc., Financial Industry Regulatory Authority, Inc., Investors Exchange LLC, Long-Term Stock Exchange, Inc., MEMX, LLC, Miami International Securities Exchange LLC, MIAAX Emerald, LLC, MIAAX PEARL, LLC, Nasdaq BX, Inc., Nasdaq GEMX, LLC, Nasdaq ISE, LLC, Nasdaq MRX, LLC, Nasdaq PHLX LLC, The NASDAQ Stock Market LLC, New York Stock Exchange LLC, NYSE American LLC, NYSE Arca, Inc., NYSE Chicago, Inc., and NYSE National, Inc. (collectively, the “Participants”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) pursuant to Section 11A(a)(3) of the Securities Exchange Act of 1934 (“Exchange Act”),² and Rule 608 thereunder,³ a proposed amendment to the CAT NMS Plan to amend existing requirements for the consolidated audit trail (“CAT”) regarding the reporting of certain verbal

⁶ 17 CFR 200.30–3(a)(31).

¹ The CAT NMS Plan is a national market system plan approved by the Commission pursuant to Section 11A of the Exchange Act and the rules and regulations thereunder. See Securities Exchange Act Release No. 79318 (Nov. 15, 2016), 81 FR 84696 (Nov. 23, 2016). The full text of the CAT NMS Plan is available at www.catnmsplan.com. Unless otherwise defined herein, capitalized terms used herein are defined as set forth in the CAT NMS Plan.

² 15 U.S.C. 78k–1(a)(3).

³ 17 CFR 242.608.

activity, floor and upstairs activity (the “Verbal Quotes Amendment”).⁴ Notice of the Verbal Quotes Amendment was published in the **Federal Register** on August 20, 2024.⁵

This order institutes proceedings, under Rule 608(b)(2)(i) of Regulation NMS,⁶ to determine whether to disapprove the Verbal Quotes Amendment or to approve the Verbal Quotes Amendment with any changes or subject to any conditions the Commission deems necessary or appropriate.

II. Background

Rule 613(j)(9) of Regulation NMS and Section 1.1 of the CAT NMS Plan define the term “reportable event” as including, but not limited to, the original receipt or origination, modification, cancellation, routing, and execution (in whole or in part) of an order, and receipt of a routed order.⁷ The term “order” is defined in Rule 613(j)(8) of Regulation NMS and Section 1.1 of the CAT NMS Plan as including: (i) any order received by a member of a national securities exchange or national securities association from any person; (ii) any order originated by a member of a national securities exchange or national securities association; or (iii) any bid or offer.⁸ “Bid” and “offer” are defined in Rule 600(b)(16) of Regulation NMS as the bid price or offer price communicated by a member of an exchange or association to any broker-dealer or to any customer, at which it is willing to buy or sell one or more round lots of an NMS security, as principal or agent, but excluding indications of interest.⁹

Rule 613 and the CAT NMS Plan both require that the Industry Members and the Participants capture and report quotes and orders that meet the definition of a CAT reportable event, with no exclusion for verbal quotes and orders.¹⁰ The Commission previously

⁴ See Letter from Brandon Becker, CAT NMS Plan Operating Committee Chair, to Vanessa Countryman, Secretary, Commission, dated August 2, 2024.

⁵ See Securities Exchange Act Release No. 100727 (Aug. 14, 2024), 89 FR 67499 (Aug. 20, 2024) (the “Notice”).

⁶ 17 CFR 242.608(b)(2)(i).

⁷ 17 CFR 242.613(j)(9).

⁸ 17 CFR 242.613(j)(9).

⁹ 17 CFR 242.600(b)(8).

¹⁰ Unstructured verbal or manual communications on exchange floors and “upstairs” are reportable events under Rule 613 and the CAT NMS Plan because firm verbal quotes and orders, whether they occur on an exchange floor or “upstairs,” are reportable to CAT if they are a firm bid or offer. See Securities Exchange Act Release No. 90405 (Nov. 12, 2020), 85 FR 73544, at 73546–547 (Nov. 18, 2020) (“November 2020 Exemptive Order”).