SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105230; File No. SR-CboeBYX-2026-012]

Self-Regulatory Organizations; Cboe BYX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend Rule 11.9(c)(11) and Rule 11.13(a)(4)(C) – (D) to Describe the Behavior of Non-Displayed Orders

April 14, 2026.

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 April 8, 2026, Cboe BYX Exchange, Inc. (the "Exchange" or "BYX") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Exchange filed the proposal as a "non-controversial" proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act[3] and Rule 19b-4(f)(6) thereunder.[4] 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 BYX Exchange, Inc. (the "Exchange" or "BYX") is filing with the Securities and Exchange Commission ("Commission") a proposal to amend Rule 11.9(c)(11) and Rule 11.13(a)(4)(C) – (D) to describe the behavior of Non-Displayed Orders. The text of the proposed rule change is provided in Exhibit 5.

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

2 17 CFR 240.19b-4.

3 15 U.S.C. 78s(b)(3)(A)(iii).

4 17 CFR 240.19b-4(f)(6).

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/equities/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 Rule 11.9(c)(11) and Rule 11.13(a)(4)(C) – (D) to describe the behavior of Non-Displayed Orders. The Commission recently approved a filing by the Exchange's affiliate exchange, Cboe EDGX Exchange, Inc. (hereinafter "EDGX" or "EDGX Exchange"), to implement a substantially similar amendment to EDGX Exchange Rule 11.6(e)(2) and Rule 11.10(a)(4)(C) – (D) in conjunction with EDGX's proposal to introduce a Retail Price Improvement ("RPI") program (the "EDGX RPI Filing").[5] The Exchange proposes to amend Rule 11.9(c)(11) and Rule 11.13(a)(4)(C) to become substantially similar to EDGX Exchange Rule 11.6(e)(2) and Rule 11.10(a)(4)(C) – (D), which as described above, were recently approved by the Commission. The only differences between the proposed Rules and the EDGX Rules are references

[5] See Securities Exchange Act Release No. 105052 (March 19, 2026), 91 FR 14052 (March 24, 2026) (SR-CboeEDGX-2025-072).

to corresponding rules within the BYX Rulebook that differ from the EDGX Rulebook. The Exchange is also not proposing to introduce an RPI Program as was contained in the EDGX RPI Filing.

By way of background, the Exchange currently permits orders to be entered as Non-Displayed Orders pursuant to Rule 11.9(c)(11). Current Rule 11.9(c)(11) states that a Non-Displayed Order is "[a] market or limit order that is not displayed on the Exchange." The Exchange now proposes to amend Rule 11.9(c)(11) and Rule 11.13(a)(4)(C) – (D) in order to more accurately describe the price at which a Non-Displayed Order posts to the BYX Book[6] and at what price a Non-Displayed Order may execute in certain situations. The Exchange believes the proposed amendments to Rule 11.9(c)(11) and Rule 11.13(a)(4)(C) – (D) are necessary in order to provide market participants with greater certainty and clarity regarding the current entry and execution of orders with Non-Displayed instructions on the Exchange. The Exchange also believes the proposed amendments are necessary to align the rules of the Exchange with the rules of its affiliate, EDGX Exchange.

Specifically, the Exchange proposes to introduce Rule 11.9(c)(11)(A), which provides that when a Non-Displayed Order is entered, the Non-Displayed Order will be executed against previously posted orders on the BYX Book that are priced equal to or better than the price of the Non-Displayed Order, up to the full amount of such previously posted orders, unless such executions would trade through a Protected Quotation.[7] Any portion of a Non-Displayed Order that cannot be executed in this manner will be posted to the BYX Book, (unless the Non-Displayed

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6 See Rule 1.5(e). The term "BYX Book" shall mean the System's electronic file of orders.

7 See Rule 1.5(t). The term "Protected Bid" or "Protected Offer" shall mean a bid or offer in a stock that is (i) displayed by an automated trading center; (ii) disseminated pursuant to an effective national market system plan; and (iii) an automated quotation that is the best bid or best offer of a national securities exchange or association. The term "Protected Quotation" shall mean a quotation that is a Protected Bid or Protected Offer.

Order has a time-in-force of Immediate-or-Cancel ("IOC") [8]) and/or routed if it has been designated as a routable order.

Next, the Exchange next proposes to introduce Rule 11.9(c)(11)(B), which describes the price at which a Non-Displayed Order is posted and ranked on the BYX Book in the event that it is not executed pursuant to proposed Rule 11.9(c)(11)(A). Proposed Rule 11.9(c)(11)(B)(i) provides if the limit price of a Non-Displayed Order would lock the BYX Book, the Non-Displayed Order will be posted on the BYX Book at the locking price and will be executed as set forth in Rule 11.13(a)(4)(C)[sic]. If, however, an inbound Non-Displayed Order cannot execute due to User[9] instruction (e.g., Post Only[10] or minimum quantity) and does not contain a price slide instruction, the Non-Displayed Order will be cancelled. An inbound Non-Displayed Order that cannot execute upon entry and contains a price slide instruction will be ranked at the locking price upon entry. Proposed Rule 11.9(c)(11)(B)(ii) provides if the limit price of the Non-Displayed Order would cross a Protected Quotation and the Non-Displayed Order contains a price slide instruction, the Non-Displayed Order will be executed as set forth in Rule 11.9(g)(1) or cancel, based on User instruction. If the entered limit price of the Non-Displayed Order would cross a Protected Quotation and the Non-Displayed Order does not contain a price slide instruction, the Non-Displayed Order

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8 See Exchange Rule 11.9(b)(1). An Immediate-or-Cancel ("IOC") Order is a limit order that is to be executed in whole or in part as soon as such order is received. The portion not executed immediately on the Exchange or another trading center is treated as cancelled and is not posted to the BYX Book. IOC limit orders that are not designated as "BYX Only" and that cannot be executed in accordance with Rule 11.13(a)(4) on the System when reaching the Exchange will be eligible for routing away pursuant to Rule 11.13(b).

9 See Rule 1.5(cc). The term "User" shall mean any Member or Sponsored Participant who is authorized to obtain access to the System pursuant to Rule 11.3.

10 See Rule 11.9(c)(6). A Post Only Order is an order that is to be ranked and executed on the Exchange pursuant to Rule 11.12 and Rule 11.13(a)(4) or cancelled, as appropriate, without routing away to another trading center except that the order will not remove liquidity from the BYX Book, other than as described below. A BYX Post Only Order will remove contra-side liquidity from the BYX Book if the order is an order to buy or sell a security priced below $1.00 or if the value of such execution when removing liquidity equals or exceeds the value of such execution if the order instead posted to the BYX Book and subsequently provided liquidity, including the applicable fees charged or rebates provided.

will cancel or route, based on User instruction. Proposed Rule 11.9(c)(11)(B)(iii) provides that in situations where there is a resting Non-Displayed Order on the buy (sell) side of the market and an incoming Non-Displayed Order on the sell (buy) side of the market is unable to execute due to User instruction (e.g., Post Only or minimum quantity) and posts to the BYX Book at a price that locks the resting Non-Displayed Order, an incoming Non-Displayed Order on the buy (sell) side of the market may execute with the resting Non-Displayed Order on the sell (buy) side of the market at the locking price ahead of the Non-Displayed Order on the buy (sell) side of the market. The Exchange believes that it is more appropriate to permit later-arriving orders to execute ahead of a resting order posted to the BYX Book that is in a locked state due to the presence of a contra-side order with specific User instructions (e.g., Post Only or minimum quantity) rather than cancel or slide the later-arriving order due to the information leakage that would occur as a result of the cancellation. The Exchange has included an example to demonstrate this operation, which is contained in proposed Rule 11.9(c)(11)(B)(iii).

Example:

- NBBO for security ABC is $10.00 x $10.05.
- User 1 enters a Mid-Point Peg[11] order to buy 100 shares of ABC at $10.03. User 1's order is posted to the BYX Book and ranked at $10.025.
- User 2 enters a Mid-Point Peg Post Only order to sell 100 shares of ABC at $10.02. User 2's order is posted to the BYX Book and ranked at $10.025.
- User 3 enters an IOC Order to buy 100 shares of ABC at $10.05.

[11] See Rule 11.9(c)(9). A Mid-Point Peg Order is a limit order that after entry into the System, the price of the order is automatically adjusted by the System in response to changes in the NBBO to be pegged to the mid-point of the NBBO, or, alternatively, pegged to the less aggressive of the midpoint of the NBBO or one minimum price variation inside the same side of the NBBO as the order.

- **RESULT:** Pursuant to proposed Rule 11.9(c)(11)(B)(iii), User 3's order trades with User 2's Mid-Point Peg Post Only order at a price of $10.025. In this instance, User 3's order trades with User 2's order ahead of User 1's order because when User 2's order was originally entered, it was unable to execute due to the Post Only instruction. As both User 2's order and User 1's order are non-displayed orders (Mid-Point Peg orders by nature are non-displayed), the Exchange allows User 2's order to post to the BYX Book and be ranked at the locking price as the non-displayed nature of these orders would not cause a violation of Regulation NMS. The Exchange believes that if it were instead to slide User 2's order in accordance with Rule 11.9(g)(2) or cancel User 2's order so that it would not create an internal locked book, the act of sliding or cancelling User 2's order would result in information leakage. As such, the Exchange believes that it is appropriate to permit User 3's order to trade ahead of User 1's resting order at a price of $10.025.

Finally, the Exchange also proposes to amend Rule 11.13(a)(4)(C) – (D) to better describe the execution of Non-Displayed Orders in situations where a locked market exists on the BYX Book. Rule 11.13(a)(4)(C) currently states that certain orders are permitted to post and rest on the BYX Book at prices that lock contra-side liquidity, provided, however, that the System will never display a locked market. The Exchange proposes to add language to Rule 11.13(a)(4)(C) to provide that consistent with Rule 11.12, which sets forth the Exchange's rule regarding priority of orders, Non-Displayed Orders and orders subject to display-price sliding as set forth in Rule 11.9(g)(1) (defined as the "Resting Orders") cannot be executed pursuant to Rule 11.13 when such Resting Orders would be executed at prices equal to displayed orders on the opposite side of the market (the "Locking Price").[12] The Exchange also proposes to amend Rule 11.13(a)(4)(D) to conform with the

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[12] Any incoming order that would execute against the Resting Order at the Locking Price would receive a priority advantage over the displayed order at the Locking Price. As such, the Exchange does not execute a

proposed changes in Rule 11.13(a)(4)(C) with regard to the use of the terms Resting Order and Locking Price. Proposed Rule 11.13(a)(4)(D) will be revised from its current text to provide that in the event that an incoming order described in sub-paragraphs (A) and (B) is a Market Order or is a Limit Order priced more aggressively than the Locking Price of a Resting Order as described in sub-paragraph (C), the Exchange will execute the Resting Order at, in the case of a Resting Order bid, one-half minimum price variation less than the Locking Price, and, in the case of a Resting Order offer, one-half minimum price variation more than the Locking Price.

The proposed changes to Rule 11.9(c)(11) and Rule 11.13(a)(4)(C) – (D) will describe the current behavior of orders containing a Non-Displayed instruction in greater detail and align the rules of the Exchange with its affiliate exchange, EDGX. The Exchange is not proposing to amend its current functionality regarding Non-Displayed Orders, but rather seeks to amend its rules so that Users and other market participants will have greater certainty and clarity regarding how a Non-Displayed Order is posted and ranked on the BYX Book during certain scenarios involving locked and crossed markets.

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

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Resting Order against an incoming order at the Locking Price if there is also a displayed order resting on the BYX Book at the Locking Price.

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

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

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 believes the proposed amendments to Rule 11.9(c)(11) and Rule 11.13(a)(4)(C) – (D) to introduce additional rule text describing the entry and execution of Non-Displayed Orders on the Exchange promote just and equitable principles of trade by providing additional certainty and clarity to market participants regarding how the System processes Non-Displayed Orders. Specifically, the Exchange seeks to provide additional information regarding the price at which a Non-Displayed Order is posted and ranked on the BYX Book when a Non-Displayed Order either locks or crosses a Protected Quotation or when a Non-Displayed Order locks the BYX Book. Further, the Exchange is not proposing to amend Non-Displayed Order behavior, but rather only seeking to introduce additional language to its rules to provide additional explanation and clarity to Users and market participants about Non-Displayed Order behavior during a locked or crossed market scenario. By introducing the proposed rule text, Users will have a better understanding of how a Non-Displayed Order is posted and ranked during certain scenarios involving locked and crossed markets, which benefits all Users and the marketplace as a whole.

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15 Id.

Additionally, the Exchange believes its proposal to introduce additional rule text describing the entry and execution of Non-Displayed Orders on the Exchange is not unfairly discriminatory as all Users and market participants will be subject to the same application of the Exchange's rules and will have equal access to the Exchange rulebook. Finally, the Exchange notes that the proposed text of Rule 11.9(c)(11) and Rule 11.13(a)(4)(C) – (D) has already been approved by the Commission for the Exchange's affiliate exchange.[16] Indeed, the proposed amendments are substantially similar those approved by the Commission for EDGX Exchange with differences only to account for the Exchange's existing rule text. Thus, the proposed amendments to Rule 11.9(c)(11) and Rule 11.13(a)(4)(C) – (D) do not present any novel issues for the Commission's consideration.

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

The Exchange does not believe that the proposed rule changes will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes that the proposed changes do not impose any burden on intramarket or intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed changes to Rule 11.9(c)(11) and Rule 11.13(a)(4)(C) – (D) are not proposed for competitive reasons but rather to provide Users with additional clarity and transparency about what price a Non-Displayed Order is posted, ranked, and executed during certain scenarios involving locked and crossed markets. Nor do the proposed changes modify the functionality or behavior of Non-Display Orders or any other order type on the Exchange. Rather, the proposed rule changes clarify the current functionality and behavior of Non-Displayed Orders on the Exchange. The proposed rule changes will also align the Exchange's rule text with that of its

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16 Supra note 5.

affiliate exchange, EDGX. Finally, all Users and market participants will be subject to the same application of the Exchange's rules and will have equal access to the Exchange rulebook. Thus, the proposed rule changes add clarity and transparency to the rules of the Exchange regarding Non-Displayed Orders and will not impose any burden on intramarket or intermarket competition.

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

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act[17] and Rule 19b-4(f)(6)[18] thereunder.

The Exchange has requested that the Commission waive the 30-day operative delay contained in Rule 19b-4(f)(6)(iii) so that the proposed rule change may become operative upon filing. The Exchange states that the proposed rule change will align the Exchange Rules regarding treatment of Non-Displayed Order with that of the Exchange's affiliate, EDGX. Because the proposed rule change does not raise any novel regulatory issues, the Commission believes that waiver of the operative delay is consistent with the protection with the protection of

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17 15 U.S.C. 78s(b)(3)(A)(iii).

18 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

investors and the public interest. Accordingly, the Commission hereby waives the operative delay and designates the proposal operative upon filing.[19]

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-CboeBYX-2026-012 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-CboeBYX-2026-012. This file number should be included on the subject line if email is used. To help the Commission process and

[19] For purposes only of waiving the 30-day operative delay, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

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-CboeBYX-2026-012 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.[20]

Sherry R. Haywood,

Assistant Secretary.

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20 17 CFR 200.30-3(a)(12), (59).