

updates the SBBO, which ultimately protects investors and the public interest.

The Exchange believes the proposed nonsubstantive changes to capitalize the lettering of the subparagraphs in Rules 21.22(d)(1) and 21.23(d)(1) will benefit investors, as it will conform to the lettering used throughout the Rulebook and thus eliminate potential investor confusion.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe that the proposed rule change will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act, as the proposed changes will apply to all Members in the same manner. 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 it relates solely to provisions regarding when complex auctions occurring on the Exchange may terminate early. The proposed rule changes are not intended to be competitive.

Additionally, the proposed nonsubstantive changes are not competitive and merely conform subparagraph lettering to the lettering used throughout the Rulebook.

#### *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<sup>20</sup> and Rule 19b-4(f)(6) thereunder.<sup>21</sup> 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](mailto:rule-comments@sec.gov). Please include File Number SR-CboeEDGX-2024-010 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-CboeEDGX-2024-010. 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

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.

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-CboeEDGX-2024-010 and should be submitted on or before February 28, 2024.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>22</sup>

**Sherry R. Haywood,**  
*Assistant Secretary.*

[FR Doc. 2024-02415 Filed 2-6-24; 8:45 am]

**BILLING CODE 8011-01-P**

## **SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-99460; File No. SR-CboeBZX-2023-101]

### **Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Notice of Designation of a Longer Period for Commission Action on a Proposed Rule Change To List and Trade Shares of the Pando Asset Spot Bitcoin Trust Under BZX Rule 14.11(e)(4), Commodity-Based Trust Shares**

February 1, 2024.

On December 5, 2023, Cboe BZX Exchange, Inc. ("BZX" or "Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to list and trade shares of the Pando Asset Spot Bitcoin Trust under BZX Rule 14.11(e)(4), Commodity-Based Trust Shares. The proposed rule change was published for comment in the **Federal Register** on December 22, 2023.<sup>3</sup>

Section 19(b)(2) of the Act<sup>4</sup> 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

<sup>22</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> See Securities Exchange Act Release No. 99197 (Dec. 18, 2023), 88 FR 88668. Comments on the proposed rule change are available at <https://www.sec.gov/comments/sr-cboebzx-2023-101/sr-cboebzx2023101.htm>.

<sup>4</sup> 15 U.S.C. 78s(b)(2).

<sup>20</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>21</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give

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 February 5, 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 and the issues raised therein. Accordingly, the Commission, pursuant to Section 19(b)(2) of the Act,<sup>5</sup> designates March 21, 2024, 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-CboeBZX-2023-101).

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

**Sherry R. Haywood,**  
*Assistant Secretary.*

[FR Doc. 2024-02416 Filed 2-6-24; 8:45 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-99459; File No. SR-CboeEDGX-2024-007]

### Self-Regulatory Organizations; Cboe EDGX Exchange, Inc.; Notice of Filing of a Proposed Rule Change To Amend Rule 11.6(n)(4) and Rule 11.10(a)(4)(D) To Permit the Use of the Post Only Order Instruction at Prices Below \$1.00

February 1, 2024.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on January 19, 2024, Cboe EDGX Exchange, Inc. (the “Exchange” or “EDGX”) 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 EDGX Exchange, Inc. (the “Exchange” or “EDGX”) proposes to amend Rule 11.6(n)(4) and Rule 11.10(a)(4)(D) to permit the use of the Post Only order instruction at prices below \$1.00. 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://markets.cboe.com/us/options/regulation/rule\\_filings/edgx/](http://markets.cboe.com/us/options/regulation/rule_filings/edgx/)), 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

Trading in sub-dollar securities both on- and off-exchange has grown significantly since early 2019. An analysis of SIP<sup>3</sup> data by the Exchange found that sub-dollar average daily volume has increased over 300% as compared to volumes in the first quarter of 2019.<sup>4</sup> During this period, on-exchange average daily volume in sub-dollar securities grew from 442 million shares per day to 1.8 billion shares per day.<sup>5</sup> A separate analysis of SIP and FINRA Trade Reporting Facility (“TRF”)<sup>6</sup> data indicated that exchanges

<sup>3</sup> The “SIP” refers to the centralized securities information processors.

<sup>4</sup> See “How Subdollar Securities are Trading Now” (March 16, 2023). Available at <https://www.cboe.com/insights/posts/how-subdollar-securities-are-trading-now/>.

<sup>5</sup> *Id.*

<sup>6</sup> Trade Reporting Facilities are facilities through which FINRA members report off-exchange transactions in NMS stocks, as defined in SEC Rule 600(b)(47) of Regulation NMS. See Securities Exchange Act Release No. 96494 (December 14,

represented approximately 39.8% market share in sub-dollar securities, with a total of 1,638 securities trading below \$1.00.<sup>7</sup> As an exchange group, Cboe had approximately 13.3% of market share in sub-dollar securities in the first quarter of 2023.<sup>8</sup> Additionally, an analysis of internal data showed that the Exchange has seen retail sub-dollar average daily volume grow from approximately \$40 million during the first quarter of 2022 to over \$100 million during the third quarter of 2023.

As a result of the growth in sub-dollar trading, the Exchange proposes to amend Rule 11.6(n)(4) in order to permit an order containing a Post Only instruction to post to the EDGX Book<sup>9</sup> at prices below \$1.00. As defined in Rule 11.6(n)(4), a Post Only instruction is “[a]n instruction that may be attached to an order that is to be ranked and executed on the Exchange pursuant to Rule 11.9 and Rule 11.10(a)(4) or cancelled, as appropriate, without routing away to another trading center except that the order will not remove liquidity from the EDGX Book . . .”. Accordingly, an order containing a Post Only instruction does not remove liquidity, but rather posts to the EDGX Book to the extent permissible. Additionally, the Exchange proposes to amend Rule 11.10(a)(4)(D) to describe the manner in which bids or offers priced below \$1.00 per share are executed against orders resting on the EDGX Book. The Exchange believes the proposed changes will provide Users<sup>10</sup> with an additional order type to utilize when submitting order flow to the Exchange in securities priced below \$1.00, thereby contributing to a deeper and more liquid market, which benefits all market participants and provides greater execution opportunities on the Exchange.

Currently, orders containing a Post Only instruction priced below \$1.00 are automatically treated as orders that remove liquidity.<sup>11</sup> In order to permit an

2022), 87 FR 80266 (December 29, 2022) (“Tick Size Proposal”) at 80315.

<sup>7</sup> *Supra* note 4.

<sup>8</sup> *Id.*

<sup>9</sup> See Rule 1.5(d). The EDGX Book means the System’s electronic file of orders.

<sup>10</sup> See Rule 1.5(ee). The term “User” shall mean any Member or Sponsored Participant who is authorized to obtain access to the System pursuant to Rule 11.3.

<sup>11</sup> Orders containing a Post Only instruction in securities priced at or above \$1.00 remove contra-side liquidity only if the value of such execution when removing liquidity equals or exceeds the value of such execution if the order instead posted to the EDGX Book and subsequently provided liquidity. The Exchange does not propose to change the functionality of orders containing a Post Only instruction in securities priced at or above \$1.00.

<sup>5</sup> 15 U.S.C. 78s(b)(2).

<sup>6</sup> 17 CFR 200.30-3(a)(31).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.