



March 19, 2026

Ms. Vanessa Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street NE
Washington, D.C. 20549-1090

RE: File No. SR-CBOE-2025-079: Proposed Rule Change to Allow for Trading of Multi-Listed Equity Options during Global Trading Hours

The Securities Industry and Financial Markets Association¹ (“SIFMA”) appreciates the opportunity to submit this letter to the U.S. Securities and Exchange Commission (the “Commission”) in response to the proposal (“Proposal”) by Cboe Exchange, Inc. (“Cboe”) to amend Rule 5.1(c) to allow for trading of multi-listed equity options that meet certain eligibility criteria during Global Trading Hours (“GTH”) and to establish GTH sessions for designated multi-listed equity options at 7:30 a.m. ET to 9:25 a.m. ET and 4:00 p.m. ET to 4:15 p.m. ET or as permitted as a GTH session on another exchange.²

Executive Summary

Cboe is the first options exchange to propose expanding trading of single stock equity options outside of regular hours. We appreciate that Cboe is taking a measured approach in this initial step to expand trading of these securities, as well as their diligence in working with SIFMA to identify open questions that need to be resolved. We appreciate that this proposal would only expand trading by a few hours. For the reasons we detail below, we request that prior to approving this Cboe proposal, or other exchange applications to expand options trading hours, the Commission should undertake a broader market-wide review of the possible benefits and risks expanding equity options trading outside of regular hours would introduce, with an eye on

¹ SIFMA is the leading trade association for broker-dealers, investment banks and asset managers operating in the U.S. and global capital markets. On behalf of our industry's one million employees, we advocate on legislation, regulation and business policy affecting retail and institutional investors, equity and fixed income markets and related products and services. We serve as an industry coordinating body to promote fair and orderly markets, informed regulatory compliance, and efficient market operations and resiliency. We also provide a forum for industry policy and professional development. SIFMA, with offices in New York and Washington, D.C., is the U.S. regional member of the Global Financial Markets Association (GFMA).

² Release No. 34-104160 (Sept. 30, 2025), 90 FR 48091 (Oct. 3, 2025). The Commission published an order instituting proceedings on the Proposal on December 23, 2025. Release No. 34-104509 (Dec. 23, 2025), 90 FR 61454 (Dec. 31, 2025). As discussed below, Cboe is seeking industry feedback on amending the proposal to expand the end time for Regular Trading Hours (RTH) from 4:00 p.m. ET to 4:15 p.m. ET, instead of adding a second GTH session at the end of the day.

maintaining market integrity and resiliency and analyzing potential impacts on investors.

Part one of this letter discusses areas where we seek further clarity on the Proposal from Cboe, regulators, and third-party participants, including:

- Whether the 4:00 to 4:15 session will be considered GTH or RTH (as discussed in Cboe’s FAQ);
- Regulatory obligations in the new sessions; and
- Corporate actions.

While we acknowledge that this proposal does not include a full move into the overnight session, we would be remiss if we did not flag for the Commission our residual questions and concerns directed at not only this proposal but also future proposals – either from Cboe or other exchanges – as options exchanges may eventually expand trading further into overnight hours.

Part two of this letter addresses these broader questions, including:

- Changes coming to equity markets that would flow through to equity options trading;
- Differences in risk profiles between day and night trading sessions; and
- The future need to harmonize if/when more exchanges expand trading hours.

Background on the Cboe Proposal

Cboe already trades select proprietary index options (SPX, XSP, and VIX) in its current GTH (8:15 p.m.–9:25 a.m. ET) and Curb Session (4:15 p.m.–5:00 p.m. ET). This proposal would expand trading hours for qualified equity options. Cboe has proposed to amend its rules to expand trading hours in the morning and afternoon for designated multi-listed equity options or options traded on another exchange’s overlapping extended hours session.

The Proposal includes Cboe’s criteria for determining whether equity options would be eligible to trade during the expanded sessions as: “up to 100 actively traded multi-traded option classes for which (i) the option has an average daily volume of 150,000 contracts, (ii) the underlying equity to the option has a \$50 billion market capitalization, and (iii) the underlying equity to the option has an average daily trading volume of 10 million shares.”

Inclusive of the proposal to extend trading hours for equity options, below is a summary of Cboe trading sessions with times, Options Price Reporting Authority (OPRA) channels, and last sale eligibility:

Product	Time	Session	OPRA Channel	Last Sale Eligible
Index	8:15 p.m. – 9:25 a.m. ET	GTH	GTH	No
Index	9:30 a.m. – 4:15 p.m. ET	RTH	RTH	Yes
Index	4:15 p.m. – 5:00 p.m. ET	Curb	RTH	No
Equity (New)	7:30 a.m. - 9:25 a.m. ET	GTH	RTH	No
Equity (New)	4:00 p.m. ET to 4:15 p.m. ET	GTH	RTH	No

Note: Cboe originally proposed to establish two new GTH sessions: 7:30 a.m.-9:25 a.m. ET and 4:00 p.m.-4:15 p.m. ET. The 4:00-4:15 p.m. ET session is now under consideration to be RTH. OPRA trade conditions: Index GTH and RTH = standard; Index Curb = extended hours "v"; equity GTH (morning) = extended hours "v"; and equity RTH (afternoon) = standard.

Part I: Remaining Questions on the Cboe Proposal

As a result of its due diligence with SIFMA and other market participants, Cboe created an FAQ for common questions: Equity Options Extended Trading Hours FAQ.³ While this document answered many of our questions, there are still areas that require further discussion and clarification. This includes issues outside of Cboe’s control that should be addressed by regulators and other third parties, including significant questions around the treatment of corporate actions.

Further Industry Discussion Needed on Whether the New 4:00 to 4:15 Session Should Be Designated RTH or GTH

A main area open for further clarification includes whether the new 4:00 p.m.-4:15 p.m. ET session will be considered RTH or GTH. Cboe originally proposed to establish two new GTH sessions: 7:30 a.m.-9:25 a.m. ET and 4:00 p.m.-4:15 p.m. ET. In its recent FAQ, Cboe noted, “For consistency across products, Cboe believes it is now appropriate to pivot to include the 4:00-4:15 p.m. ET session as part of RTH and looks forward to industry feedback on this position.” If there is support, Cboe has indicated it will modify its initial rule filing.

For Cboe proprietary index options and select multi-listed ETF classes, Cboe’s current RTH session extends from 4:00 to 4:15 p.m. ET (and Cboe’s current GTH session operates from 8:15 p.m. to 9:25 a.m. ET for Cboe’s proprietary index options). Market participants are still debating whether or not the proposed 4:00 to 4:15 p.m. ET trading session for equity options should follow suit and be labelled RTH. We believe further industry discussion is needed to make this decision. As such, below we present the case for RTH and GTH.

³ https://cdn.cboe.com/resources/membership/Equity_Options_Extended_Trading_Hours_FAQ.pdf.

RTH benefits to investors: Some firms believe extending RTH to end at 4:15 p.m. ET, rather than creating a new GTH session from 4:00 to 4:15 p.m. ET, would make more sense to retail clients.

- This would ensure trading is seamless for customers and aligned in methodology with other products currently trading until 4:15 p.m. ET, i.e. select index and ETF option classes.⁴
- The option classes included in the proposal represent securities with the largest volume footprint, and, as such, liquidity in the underlying securities should not be an issue for an additional 15 minutes; however, options quotes may widen when there is reduced liquidity in the underlying securities.
- Making this a new GTH session would force the creation of new FIX tags, a significant, complex workflow change. CBOE currently has tags for *RTH Only*, *RTH and Curb*, or *All Sessions*. If a firm trading equity options did not want to participate in the proposed new morning GTH session from 7:30 a.m.-9:25 a.m. ET but did want to participate in RTH and the proposed new evening GTH session from 4:00 p.m. to 4:15 p.m. ET, it would need to set up a dynamic symbol list. This could become quite complex. Index options (SPX, VIX) and around 40 ETFs (QQQ, SPY, GLD, SLV, etc.) currently trade RTH until 4:15 p.m. ET, and a firm may choose not to trade these names in the Curb session, from 4:15 p.m. – 5:00 p.m. ET. If equity options, such as AAPL, were to trade from 4:00 p.m. to 4:15 p.m. ET as a new GTH session, a firm would have to create other separate coding lists to make sure the correct tags are in place. This will become more complicated when other exchanges extend trading hours with (potentially) differently labelled trading sessions, necessitating the coding of different FIX tags for individual exchanges, potentially up to 18 (soon to be 20) exchanges.
- Instead of coding and setting up new FIX tags, it has been suggested that firms could, internally, prevent market orders for the 4:00 p.m. to 4:15 p.m. ET session. Firms could also decide not to participate in this session, similar to the optionality in equities for the extended hours session or overnight sessions today (not all firms trade overnight or in the pre- and post-market sessions or for the entire pre- and post-market sessions).

GTH benefits to investors: Some firms believe making the 4:00 to 4:15 p.m. ET session GTH will lead to a better outcome for retail clients.

- This will ensure front end platforms and trade systems follow GTH protocols like preventing market orders (only allowing limit orders). The GTH protocols become very important for “conditional orders,” or orders which trigger under certain market conditions. Since liquidity patterns and the potential for sharp market moves in individual stocks translate into equity options markets, equity options have different characteristics than index options, especially after 4:00 p.m. ET. As such, market and conditional orders could be adversely impacted.

⁴ Proponents of this approach note that for many years, equity options traded until 4:15 p.m. ET but this time was gradually moved to end at 4:00 p.m. ET.

- If in the future individual exchanges treat the same trading hours differently in terms of session times, it could create confusion among investors and market participants and spur potential disruptions in various trade processing workflows. For example, if equity options trade in RTH on Cboe until 4:15 p.m., but RTH ends at 4:00 p.m. on another exchange and that exchange's post-4:00 p.m. trading session is designated as a non-regular session, investor orders could be negatively impacted. Market participants' operational workflows would need to account for this additional complexity. (Below we discuss additional areas where exchange harmonization will be important.)
- There is a disconnect in timing, since the equity markets close – and are marked – at 4:00 p.m. Yet, under the Proposal, certain equity options will remain open until 4:15 p.m. This could create clearing issues in determining customers' positions, values, and risks. Further, while the Cboe FAQ indicated market orders will not be actionable during the GTH session (as with index options), market participants would like to clarify the order types available – such as market orders – if RTH is extended until 4:15 p.m.

Regulatory Confirmation on Obligations Outside of Regular Hours Required

In general, SIFMA requests that regulators, including SROs, consider whether the same regulatory obligations and protections that apply during regular hours should apply to other trading sessions. To mitigate both financial and operational risks, regulatory approaches to non-regular trading hours should be harmonized across SROs wherever possible. For example, as trading hours expand, the definition of the trade date may differ from the calendar date, e.g., trades at Monday at 10:00 p.m. ET will have a Tuesday trade date). There are open questions about various potential regulatory impacts, including Reg SHO calculations, where start of day positions must be accurate to correctly calculate and mark short and long positions. In addition, if clearing firm files, including contrary assignments, are delayed, start-of-day positions could be impacted, leading to potential mismarking or other issues. While delays happen in the current environment, expanding trading hours could increase the frequency and magnitude of disruptions resulting from these delays. To reduce these risks in expanded hours, it is requested that (1) the Options Clearing Corporation (OCC) work with clearing members to ensure all files are provided on the same day and (2) regulators clarify the implications of delayed position files.

There are also concerns about potential margin impacts under FINRA 4210. There may be exposure considerations if options trade until 4:15 p.m. and the underlying closes at 4:00 p.m., particularly from a funding and risk management perspective. As mentioned above, this could create clearing issues in determining customers' positions, values, and risks. This issue exists today but has the potential to be amplified in extended hours. At the customer level, margin is generally based on market values as of the regular close, and many clearing firms use OCC theoretical values – typically anchored to the 4:00 p.m. underlying price – as inputs in margin calculations. If positions are established or materially changed between 4:00 p.m. and 5:00 p.m., particularly around earnings or material news, a significant after-hours move in a single

stock may not be reflected in customer margin until the next calculation cycle. While ETF options already trade until 4:15 p.m., diversification within an ETF basket generally dampens single-name volatility and limits margin variance. A concentrated single-stock move presents a more pronounced potential gap in the customer margin layer.

Third-Party Coordination Necessary, Specifically from OCC and OPRA

The proposed expansion of Cboe's trading hours impacts options market participants and third-parties more broadly. Since an individual exchange cannot control the rules and procedures of third parties, Commission guidance may be needed to coordinate actions across market participants.

OCC's comments at the SIFMA 24/7 trading roundtable were a reminder that options have time bound lifecycle events and are exposed to adjustments. Expiration, exercise, assignment processing, and contract adjustments are all designed around the concept of a daily close at a single, common time, shaping what is operationally feasible in an expanded hours model. Corporate actions are currently processed after the regular trading day to update reference data, publish notices to clearing members, adjust records, and load formal contract adjustments into OCC's systems. Market participants often rely on market information from third-party data vendors. These vendors also must be able to accurately ingest and update corporate action adjustments so market participants are accessing the most up-to-date information. These issues highlight that expanding options trading hours is tied, in many respects, to participants beyond the options ecosystem.

In addition, while the Cboe FAQ addressed some questions, confirmation and further clarification is needed from OCC. In general, OCC should address how it plans to evaluate changes in market conditions – such as expanded trading hours – and the impact on the clearing fund. Additional clarification is requested as to (1) whether clearing members will be required to post additional capital to participate in Cboe's currently proposed extended hours or any additional future expansions of trading hours, and (2) how margin calls will be handled during Cboe's proposed expanded hours or any additional future expansions of trading hours.⁵

Further, as a general industry question, it would be beneficial for OPRA to publicly clarify any potential capacity issues and timing to make transaction and quotation reporting available to other exchanges. Similarly, options market data vendors should consider how these changes will affect their offerings and work with Cboe, the OCC, and OPRA to ensure all technical and resiliency issues are addressed ahead of any expansion.

⁵ Currently, clearing members must post the lesser of \$10 million or 10% of the firms' net capital as a GTH liquidity buffer.

Corporate Actions Remains the Key Issue to Resolve, & SIFMA's Corporate Actions Working Group Continues Its Work Here

Equity options and equities share unresolved issues such as corporate actions. As discussed at the SIFMA 24/7 trading roundtable on January 28, corporate actions processes remain the biggest hurdle in a successful movement to extending trading hours.⁶ This is an issue that crosses equity and options markets, even during regular trading hours today, as corporate action processes start with the equity listings exchange, and flow down the workflow waterfall to the OCC and options exchanges. Market participants have raised the need for proper handling of corporate action notifications in equities and options both today and in the future as exchanges seek approval to expand trading hours.

SIFMA's Corporate Actions Working Group continues to work on this important aspect of extending trading hours, which also has opened the door to modernizing outdated corporate actions processes. The primary concerns revolve around corporate action events which significantly alter underlying positions: forward/reverse splits, new share issuances impacting end-of-day pricing (e.g., spin-offs), mandatory exchange offers requiring clear trading cessation rules for old securities, and the rare occasion when a corporate action is reversed. The working group is preparing a decision tree framework to act as a guide for listings exchanges and issuers – as well as for the National Securities Clearing Corporation (NSCC) and OCC – through specific scenarios with corresponding actions or practical examples for each stage.

Timing of announcements is a common problem across different types of corporate actions. It has been discussed that advanced announcement must be available to the OCC, in order for the OCC to make subsequent – and timely – notifications of actions to its members. This is required to ensure that markets operate effectively. SIFMA understands that Cboe will either supplement the current filing or publish a new proposal that addresses how corporate actions will be handled and we look forward to reviewing the details of that proposal.

If the Proposal is Approved, the Commission and Cboe should Provide Market Participants with Sufficient Time to Prepare for Implementation

The Proposal will for the first time offer trading in multi-listed single stock equity options outside of regular market hours. As described above, there are a variety of open issues that market participants will have to consider if they choose to participate in the new extended sessions. Addressing these issues will require close coordination and development work across a wide range of regulatory, technical, and operational systems and processes. Therefore, SIFMA requests that the Proposal have an effective date no less than 120 business days from the date it is approved. This lead time will provide market participants with a reasonable period to address outstanding issues and questions so that there is a smooth transition to operating during these extended sessions.

⁶ See <https://events.sifma.org/24-7-trading-roundtable>.

Part II: Broader Capital Markets Trends & the Future State

The capital markets ecosystem is changing, with market participants and regulators reviewing new ways of trading and new products to trade. While Cboe's proposal expands trading of equity options for just a few hours, it is anticipated that there will be future proposals to expand trading hours or the products available to trade further into the overnight session, either from Cboe or other exchanges. This move would follow what is already being done in equity markets.

Changes Coming to Equity Markets Would Flow through to Equity Options Trading

Equity options and equities are interconnected. As part of the broader move⁷ to the 23/5 model in equities, many changes to modernize processes and operations are under discussion.⁸ The target go live date based on the current state of play – at least for NSCC, the Securities Information Processors (SIPs), the equity Trade Reporting Facilities (TRFs), and the approved exchanges – for equities extended trading hours is December 2026, the announced operational date for the SIPs. Based on the timing of Cboe's proposal to extend trading hours in equity options, it could be approved as early July 2026.

Given the interconnectedness, it would be prudent to analyze the Cboe proposal under the future state, which remains uncertain, rather than the current state of essentially seamlessly interconnected pieces between the options and equity markets. For example, it is unlikely the corporate actions bottlenecks can be resolved by July, as the equity listings exchanges play a critical role here and are targeting a December 2026 go live date, i.e. there is a timing disconnect between extending trading hours in equity options and the underlying equities.

The SIP Operating Committee is working on adding corporate actions announcements on the SIPs – with the coding expected to be finalized by the targeted December launch – improving speed to market (presumably through an API feed). Exchanges can view SIP messages and halt stocks accordingly. Additionally, the Limit Up Limit Down Operating Committee is in the process of recommending single-stock volatility bands and corresponding reference prices for the overnight hours, providing guardrails around the halting of stocks. Once finalized and voted upon, the recommendation would be a LULD Plan amendment,⁸ ensuring harmonization across exchanges. It is recommended that the Commission wait to see the proposed changes as equity markets expand trading hours and then review this Proposal – and future exchange proposals – for expanding equity options trading under the new world order that is expected to take fuller shape in the coming months.

⁸ Some ATSS, market makers, and retail brokers in the equity market operate overnight today.

⁸ The Limit Up Limit Down Operating Committee needs a unanimous vote to approve Plan amendments.

Trading Outside of Regular Hours Brings Different Risks

Global capital markets participants across multiple asset classes continue to discuss an evolution to continuous market access. For example, U.S. equity markets are preparing a coordinated transition to trading 23 hours a day, 5 days a week. As discussed at SIFMA's roundtable on this topic, while expanding trading hours can increase optionality for investors globally, it presents opportunities and challenges for the industry as a whole, and there are many open trading, operational, and procedural questions.

Overall, trading outside of regular market hours experiences lower liquidity and therefore greater volatility, particularly on news events. There generally are fewer market makers quoting in these sessions, exaggerating price swings. Spreads are wider, increasing investors' costs to trade. There may be an absence of an updated underlying index, portfolio value, or intraday indicative value, on which many volatility controls depend. When those values are stale, traditional volatility risk management practices may be limited. Since there are no market-wide volatility mechanisms in options, single-stock volatility mechanisms are exchange-specific and therefore not harmonized across the industry. These unique issues present risks to investors, other market participants, and the system as a whole.

Cboe is the first options exchange to seek approval from the SEC to expand trading hours in multi-listed single stock equity options. The proposal is not an expansion to full overnight hours as seen in equities, rather nearly two hours in the morning and fifteen minutes in the afternoon session. That said, given the trajectory across capital markets to expand access to investors, this could represent the first step on a path to 23/5 options trading by Cboe and other exchanges.

The expansion of trading hours for equity options does not mirror the situation in equities. When the first exchange applications to expand trading hours were submitted in equities, overnight trading of equities already existed via alternative trading systems (ATSS) that operate between the hours of 8:00 p.m. and 4:00 a.m. ET. Although a handful of proprietary index options trade on Cboe during its current GTH sessions, equity options do not currently trade overnight.

There are critical differences between proprietary index options and equity options that deserve careful consideration prior to significantly expanding the hours equity options are available to trade. For example, the SPX and VIX index options only trade on Cboe exchanges. In addition, SPX is based on a broad index of underlying stocks, so it is inherently less volatile than single-stock options. Equity options have the potential to trade on all eighteen approved options exchanges. Index options are cash-settled whereas equity options are settled via delivery of the underlying, which may result in specific operational complexities. Since equity options are tied to individual companies, these options require adjustments for corporate actions. Further, another direct link to equities is around earnings releases, which may only have minimal impact on indexes but significant impacts on individual stock prices, impacting equity options pricing.

There Is a Future Need to Harmonize the Approach If/When More Exchanges Expand Trading Hours

As discussed, before significantly expanding trading hours for equity options, the Commission, SROs, the OCC, and other market participants should identify, review, and address a harmonized approach to the various complexities that could arise for investors and the markets with any expansion.

The equity markets have coalesced around 23 hours per day, 5 days per week, or the 23/5 model (inclusive of the one-hour exchange pause to mitigate systemic risk and promote resiliency as market participants and third parties conduct maintenance and testing). At the point in the future when the options industry moves further into overnight hours, we encourage the SEC to align option exchange hours with the 23/5 model the equity exchanges are in the process of adopting, reiterating the interconnectedness of equity options and the underlying equity.

It is important to address market-wide questions and issues now, rather than dealing with them on an exchange application-by-application basis, an approach that could lead to disjointed options markets and create investor confusion.⁹ Coordination is needed across exchanges, brokers, clearing houses, other market participants and third-parties (including options market data vendors).

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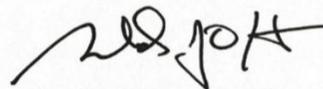
Conclusion

SIFMA appreciates the opportunity to comment on this Proposal. We look forward to continuing to engage with the Commission as it works through this first step to extending trading hours in equity options and reviews the broader market-wide considerations as the options industry moves further into overnight hours. Please feel free to reach out to the undersigned with any questions regarding these comments.

Respectfully Submitted,



Katie Kolchin, CFA
Managing Director, Head of
Equity & Options Market
Structure
SIFMA



Gerald O'Hara
Vice President & Assistant
General Counsel
SIFMA

⁹ For example, treatment of obvious and catastrophic errors should be harmonized across all options exchanges.