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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 19b-4

File No. * SR 2024 - * 22

Amendment No. (req. for Amendments *)

Filing by BOX Exchange LLC.

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
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Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>
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Rule

<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)
<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)
<input type="checkbox"/> 19b-4(f)(3)	<input checked="" type="checkbox"/> 19b-4(f)(6)

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010

Section 806(e)(1) *

Section 806(e)(2) *

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934

Section 3C(b)(2) *

Exhibit 2 Sent As Paper Document

Exhibit 3 Sent As Paper Document

Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

A proposal to permit the listing of two Monday expirations for options on GLD, SLV, and TLT

Contact Information

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name * Chris Last Name * Zaremba

Title * General Counsel

E-mail * czaremba@boxexchange.com

Telephone * (617) 235-2102 Fax

Signature

Pursuant to the requirements of the Securities Exchange of 1934, BOX Exchange LLC. has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

Date 09/05/2024

(Title *)

By Chris Zaremba

General Counsel

(Name *)

NOTE: Clicking the signature block at right will initiate digitally signing the form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

DN:
email=czaremba@boxexchange.com
Date: 2024.09.05 16:22:12 -04'00'

Required fields are shown with yellow backgrounds and astericks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EDFS website.

Form 19b-4 Information *

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SR-BOX-2024-22 (19b4).docx

The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change *

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SR-BOX-2024-22 (Ex 1).docx

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 1A - Notice of Proposed Rule Change, Security-Based Swap Submission, or Advanced Notice by Clearing Agencies *

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2- Notices, Written Comments, Transcripts, Other Communications

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Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit Sent As Paper Document

Exhibit 3 - Form, Report, or Questionnaire

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Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit Sent As Paper Document

Exhibit 4 - Marked Copies

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

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SR-BOX-2024-22 (Ex 5).docx

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change

Partial Amendment

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

Item 1. Text of Proposed Rule Change

a) BOX Exchange LLC (the “Exchange”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² proposes to amend BOX Rule 5050 (Series of Options Contracts Open for Trading) to permit the expansion of Monday expirations in Exchange Traded Products (“ETPs”). A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1 and the text of the amended Exchange Rules is attached hereto as Exhibit 5.

b) Not applicable to application of any other Exchange rule.

c) Not applicable.

Item 2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by officers of the Exchange pursuant to authority delegated by the Exchange Board of Directors (“Board”). No further action is necessary for the filing of the proposed rule change.

Questions regarding this rule filing may be directed to Chris Zaremba, General Counsel for the Exchange, at (617) 235-2102.

Item 3. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

a) Purpose

The Exchange proposes to amend BOX Rule 5050 (Series of Options Contracts Open for Trading) to permit the expansion of Monday expirations in ETPs. Specifically, the Exchange proposes to expand the Short Term Option Series Program to permit the listing of two Monday expirations for options on SPDR Gold Shares

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

(“GLD”), iShares Silver Trust (“SLV”), and iShares 20+ Year Treasury Bond ETF (“TLT”) (collectively “Exchange Traded Products” or “ETPs”).³ This is a competitive filing that is based on a proposal recently submitted by Nasdaq ISE, LLC (“ISE”) and approved by the Commission.⁴

Currently, as set forth in IM-5050-6 (Short Term Option Series Program), after an option class has been approved for listing and trading on the Exchange as a Short Term Option Series pursuant to BOX Rule 100(a)(66),⁵ the Exchange may open for trading on any Thursday or Friday that is a business day (“Short Term Option Opening Date”) series of options on that class that expire at the close of business on each of the next five Fridays that are business days and are not Fridays in which standard expiration options series, Monthly Options Series, or Quarterly Options Series expire (“Friday Short Term Option Expiration Dates”). The Exchange may have no more than a total of five Short Term Option Expiration Dates. Further, if the Exchange is not open for business on the respective Thursday or Friday, the Short Term Option Opening Date for Short Term Option Weekly Expirations will be the first business day immediately prior to that respective Thursday or Friday. Similarly, if the Exchange is not open for business on a Friday, the Short Term Option Expiration Date for Short

³ Today, the Exchange permits the listing of two Wednesday expirations for options on GLD, SLV, and TLT. See Securities Exchange Act Release No. 98997 (November 21, 2023), 88 FR 82929 (November 27, 2023) (SR-BOX-2023-27) (“Wednesday Approval Order”). The Exchange began listing Wednesday expirations on these five symbols on November 21, 2023. See Notice 2023-423.

⁴ See Securities Exchange Act Release No. 100837 (August 27, 2024) (Order Approving SR-ISE-2024-21).

⁵ BOX Rule 100(a)(66) provides that a Short Term Option Series means a series in an option class that is approved for listing and trading on the Exchange in which the series is opened for trading on any Monday, Tuesday, Wednesday, Thursday or Friday that is a business day and that expires on the Monday, Wednesday or Friday of the following business week that is a business day, or, in the case of a series that is listed on a Friday and expires on a Monday, is listed one business week and one business day prior to that expiration. If a Tuesday, Wednesday, Thursday or Friday is not a business day, the series may be opened (or shall expire) on the first business day immediately prior to that Tuesday, Wednesday, Thursday or Friday. For a series listed pursuant to this section for Monday expiration, if a Monday is not a business day, the series shall expire on the first business day immediately following that Monday.

Term Option Weekly Expirations will be the first business day immediately prior to that Friday.

Additionally, the Exchange may open for trading series of options on the symbols provided in Table 1 of IM-5050-6 that expire at the close of business on each of the next two Mondays, Tuesdays, Wednesdays, and Thursdays, respectively, that are business days beyond the current week and are not business days in which standard expiration options series, Monthly Options Series, or Quarterly Options Series expire (“Short Term Option Daily Expirations”).⁶ For those symbols listed in Table 1, the Exchange may have no more than a total of two Short Term Option Daily Expirations beyond the current week for each of Monday, Tuesday, Wednesday, and Thursday expirations, as applicable, at one time.

At this time, the Exchange proposes to expand the Short Term Option Daily Expirations to permit the listing and trading of options on GLD, SLV, and TLT expiring on Mondays. The Exchange proposes to permit two Short Term Option Expiration Dates beyond the current week for each Monday expiration at one time, and would update Table 1 in IM-5050-6 for each of those symbols accordingly.

The proposed Monday GLD, SLV, and TLT expirations will be similar to the current Monday SPY, QQQ, and IWM Short Term Option Daily Expirations set forth in IM-5050-6, such that the Exchange may open for trading on any Friday or Monday that is a business day (beyond the current week) series of options on GLD, SLV, and TLT to expire on any Monday of the month that is a business day and is not a Monday in which standard expiration options series, Monthly Options Series, or Quarterly

⁶ As set forth in Table 1, the Exchange currently only permits Wednesday expirations for USO, UNG, GLD, SLV, and TLT.

Options Series expire, provided that Monday expirations that are listed on a Friday must be listed at least one business week and one business day prior to the expiration (“Monday GLD Expirations,” “Monday SLV Expirations,” and “Monday TLT Expirations”) (collectively, “Monday ETP Expirations”).⁷ In the event Short Term Option Daily Expirations expire on a Monday and that Monday is the same day that a standard expiration options series, Monthly Options Series, or Quarterly Options Series expires, the Exchange would skip that week’s listing and instead list the following week; the two weeks would therefore not be consecutive. Today, Monday expirations in SPY, QQQ, and IWM similarly skip the weekly listing in the event the weekly listing expires on the same day in the same class as a standard expiration options series, Monthly Options Series, or Quarterly Options Series.

The interval between strike prices for the proposed Monday ETP Expirations will be the same as those currently applicable to the Short Term Option Series Program.⁸ Specifically, the Monday ETP Expirations will have a strike interval of (i) \$0.50 or greater for strike prices below \$100, and \$1 or greater for strike prices between \$100 and \$150 for all option classes that participate in the Short Term Option Series Program, (ii) \$0.50 for option classes that trade in one dollar increments in Related non-short Term Options and are in the Short Term Option Series Program, or (iii) \$2.50 or greater for strike prices above \$150.⁹ As is the case with other equity options series listed pursuant to the Short Term Option Series Program, the Monday ETP Expirations series will be P.M.-settled.

⁷ Today, GLD, SLV, and TLT may trade on Wednesdays. See supra note 3. They may also trade on Fridays, as is the case for all options series in the Short Term Option Series Program.

⁸ See IM-5050-6(b)(5).

⁹ Id.

Pursuant to Rule 100(a)(66), with respect to the Short Term Option Series Program, if a Monday is not a business day, the series shall expire on the first business day immediately following that Monday.

Currently, for each option class eligible for participation in the Short Term Option Series Program, the Exchange is limited to opening thirty (30) series for each expiration date for the specific class.¹⁰ The thirty (30) series restriction does not include series that are open by other securities exchanges under their respective weekly rules; the Exchange may list these additional series that are listed by other options exchanges.¹¹ With the proposed changes, this thirty (30) series restriction would apply to Monday GLD, SLV, and TLT Short Term Option Daily Expirations as well. In addition, the Exchange will be able to list series that are listed by other exchanges, assuming they file similar rules with the Commission to list Monday ETP Expirations.

With this proposal, Monday ETP Expirations would be treated similarly to existing Monday SPY, QQQ, and IWM Expirations. With respect to standard expiration option series, Short Term Option Daily Expirations will be permitted to expire in the same week in which standard expiration option series on the same class expire.¹² Not listing Short Term Option Daily Expirations for one week every month because there was a standard options series on that same class on the Friday of that week would create investor confusion.

Further, as with Monday SPY, QQQ, and IWM Expirations, the Exchange would not permit Monday ETP Expirations to expire on a business day in which standard

¹⁰ See IM-5050-6(b)(1).

¹¹ See IM-5050-6.

¹² See IM-5050-6(b)(2).

expiration option series, Monthly Options Series, or Quarterly Options Series expire.¹³ Therefore, all Short Term Option Daily Expirations would expire at the close of business on each of the next two Mondays, Tuesdays, Wednesdays, and Thursdays, respectively, that are business days and are not business days in which standard expiration option series, Monthly Options Series, or Quarterly Options Series expire. The Exchange believes that it is reasonable to not permit two expirations on the same day in which a standard expiration option series, Monthly Options Series, a Quarterly Options Series would expire because those options would be duplicative of each other.

The Exchange does not believe that any market disruptions will be encountered with the introduction of Monday ETP Expirations. The Exchange currently trades P.M.-settled Short Term Option Series that expire Monday for SPY, QQQ and IWM and has not experienced any market disruptions nor issues with capacity.¹⁴ In addition, the Exchange has not experienced any market disruptions or issues with capacity in expanding the three ETPs to the Wednesday expirations.¹⁵ Today, the Exchange has surveillance programs in place to support and properly monitor trading in Short Term Option Series that expire Monday for SPY, QQQ and IWM. Further, the Exchange has the necessary capacity and surveillance programs in place to support and properly monitor trading in the proposed Monday ETP Expirations.

¹³ See IM-5050-6(b).

¹⁴ In its filing to expand the Short Term Options Series Program to permit GLD, SLV, and TLT Monday Expirations, ISE provided charts and analysis demonstrating the percentage of weekly listings in the options industry compared to monthly, quarterly, and Long-Term Options Series for a twelve-month period ending on February 22, 2024. The information includes time averaged data (the number of strikes by maturity date divided from the number of trading days) for all 17 options markets through February 22, 2024. The analysis showed less volatility in GLD, SLV, and TLT (both in terms of post-close and during the last 30 minutes of trading) compared to SPY, QQQ, and IWM, which have alternative expirations (including Monday expirations) today. ISE sourced this information, which are estimates, from OCC. See Securities Exchange Act Release No. 100837 (August 27, 2024) (SR-ISE-2024-21).

¹⁵ See supra note 3.

b) Statutory Basis

The Exchange believes that the proposal is consistent with the requirements of Section 6(b) of the Securities Exchange Act of 1934 (the “Act”),¹⁶ in general, and Section 6(b)(5) of the Act,¹⁷ in particular, in that it is 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 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.

Similar to Monday expirations in SPY, QQQ, and IWM, the proposal to permit Monday ETP Expirations, subject to the proposed limitation of two expirations beyond the current week, would protect investors and the public interest by providing the investing public and other market participants more choice and flexibility to closely tailor their investment and hedging decisions in these options and allow for a reduced premium cost of buying portfolio protection, thus allowing them to better manage their risk exposure. The Exchange believes that there is general demand for alternative expirations based on the analysis discussed above,¹⁸ notably comparing the average daily contracts traded in options overlying SPY, QQQ, and the three ETPs five months before and after the introduction of alternative expirations on those symbols. The Exchange observes that the ISE data shows a volume increase in SPY and QQQ in the five-month period following the introduction of Tuesday and Thursday expirations,

¹⁶ 15 U.S.C. 78f(b).

¹⁷ 15 U.S.C. 78f(b)(5).

¹⁸ See supra note 14.

which suggests there is indeed genuine new interest in these alternative expirations (as opposed to existing interest being cannibalized).¹⁹ The Exchange observes that the ISE data shows a volume increase in the majority of the three ETPs in the five-month period following the introduction of Wednesday expirations, likewise indicating the existence of general demand for alternative expirations in these symbols.²⁰

BOX represents that it has an adequate surveillance program in place to detect manipulative trading in the proposed option expirations, in the same way that it monitors trading in the current Short Term Option Series for Monday SPY, QQQ and IWM expirations. The Exchange also represents that it has the necessary system capacity to support the new expirations. Finally, the Exchange does not believe that any market disruptions will be encountered with the introduction of these option expirations. As discussed above, the Exchange believes that its proposal is a modest expansion of weekly expiration dates for GLD, SLV, and TLT given that it will be limited to two Monday expirations beyond the current week.²¹

The Exchange believes that the proposal is consistent with the Act as the proposal would overall add a small number of Monday ETP Expirations by limiting the addition of two Monday expirations beyond the current week. The addition of Monday ETP Expirations would remove impediments to and perfect the mechanism of a free and open market by encouraging Market Makers to continue to deploy capital more efficiently and improve displayed market quality.²² The Exchange believes that the proposal will allow Participants to expand hedging tools and tailor their investment and

¹⁹ Id.

²⁰ Id.

²¹ Id.

²² Today, Market Makers are required to quote a specified time in their assigned options series. See BOX Rule 8050.

hedging needs more effectively in GLD, SLV, and TLT as these funds are most likely to be utilized by market participants to hedge the underlying asset classes. As stated in the Wednesday Approval Order, the ETPs currently trade within “complexes” where, in addition to the underlying security, there are multiple instruments available for hedging. Given the multi-asset class nature of these products and available hedges in highly correlated instruments, the Exchange believes that its proposal to add Monday expirations on these products will provide market participants with additional useful hedging tools for the underlying asset classes.

Similar to Monday SPY, QQQ, and IWM expirations, the introduction of Monday ETP Expirations is consistent with the Act as it will, among other things, expand hedging tools available to market participants and allow for a reduced premium cost of buying portfolio protection. The Exchange believes that Monday ETP Expirations will allow market participants to purchase options on GLD, SLV, and TLT based on their timing as needed and allow them to tailor their investment and hedging needs more effectively, thus allowing them to better manage their risk exposure. Today, BOX lists Monday SPY, QQQ, and IWM Expirations.²³

In particular, the Exchange believes the Short Term Option Series Program has been successful to date and that Monday ETP Expirations should simply expand the ability of investors to hedge risk against market movements stemming from economic releases or market events that occur throughout the month in the same way that the Short Term Option Series Program has expanded the landscape of hedging.

²³ See IM-5050-6(b).

There are no material differences in the treatment of Monday SPY, QQQ and IWM expirations compared to the proposed Monday ETP Expirations. Given the similarities between Monday SPY, QQQ and IWM expirations and the proposed Monday ETP Expirations, the Exchange believes that applying the provisions in IM-5050-6(b) that currently apply to Monday SPY, QQQ and IWM expirations is justified. For example, the Exchange believes that allowing Monday ETP Expirations and monthly Exchange Traded Product expirations in the same week will benefit investors and minimize investor confusion by providing Monday ETP Expirations in a continuous and uniform manner.

Item 4. 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 not necessary or appropriate in furtherance of the purposes of the Act. In this regard and as indicated above, the Exchange notes that the rule change is being proposed as a competitive response to a filing submitted by ISE that was recently approved by the Commission.²⁴

While the proposal will expand the Short Term Options Expirations to allow Monday ETP Expirations to be listed on BOX, the Exchange believes that this limited expansion for Monday expirations for options on GLD, SLV, and TLT will not impose an undue burden on competition; rather, it will meet customer demand. The Exchange believes that Participants will continue to be able to expand hedging tools and tailor their investment and hedging needs more effectively in GLD, SLV, and TLT.

²⁴ See supra note 4.

Similar to Monday SPY, QQQ and IWM expirations, the introduction of Monday ETP Expirations does not impose an undue burden on competition. The Exchange believes that it will, among other things, expand hedging tools available to market participants and allow for a reduced premium cost of buying portfolio protection. The Exchange believes that Monday ETP Expirations will allow market participants to purchase options on GLD, SLV, and TLT based on their timing as needed and allow them to tailor their investment and hedging needs more effectively.

The Exchange does not believe the proposal will impose any burden on intermarket competition, as nothing prevents the other options exchanges from proposing similar rules to list and trade Monday ETP Expirations. Further, the Exchange does not believe the proposal will impose any burden on intra-market competition, as all market participants will be treated in the same manner under this proposal.

Item 5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

The Exchange has neither solicited nor received comments on the proposed rule change.

Item 6. Extension of Time Periods for Commission Action

Not applicable.

Item 7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

This proposed rule change does not significantly affect the protection of investors or the public interest, does not impose any significant burden on competition, and, by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of

investors and the public interest. The Exchange provided the Commission with written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, prior to the date of filing the proposed rule change as required by Rule 19b-4(f)(6).²⁵ The proposed rule change is substantially similar in all material respects to a proposal submitted by ISE that was recently approved by the Commission.²⁶ The Exchange believes that this proposed rule change, which is essential for competitive purposes and to promote a free and open market for the benefit of investors, does not raise any new, unique or substantive issues from those raised in the other exchange cited above filing.

The Exchange requests that the Commission waive the 30 day operative delay period. Waiver of the operative delay is consistent with the protection of investors and the public interest because it will ensure fair competition among the exchanges by allowing the Exchange to expand the Short Term Options Expirations to be listed on BOX and allow limited expansion in Monday ETP Expirations of GLD, SLV, and TLT at the same time as ISE.

For the foregoing reasons, this rule filing qualifies for immediate effectiveness as a “non-controversial” rule change under paragraph (f)(6) of Rule 19b-4 of the Act.

Item 8. Proposed Change Based Upon Rules of Another Self-Regulatory Organization or of the Commission

As discussed above, the Exchange believes that the proposed rule change is substantively identical in all material respects to a proposal submitted by ISE that was recently approved by the Commission.²⁷

Item 9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

²⁵ 17 CFR 240.19b-4(f)(6).

²⁶ See *supra* note 4.

²⁷ *Id.*

Not applicable.

Item 10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

Item 11. Exhibits

1. Form of Notice of the Proposed Rule Change for Publication in the Federal Register.
5. Text of the Proposed Rule Change.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-BOX-2024-22)

Self-Regulatory Organizations; BOX Exchange LLC; Notice of Filing of Proposed Rule Change to amend BOX Rule 5050 (Series of Options Contracts Open for Trading) to permit the expansion of Monday expirations in Exchange Traded Products.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on [DATE], BOX Exchange LLC (the “Exchange”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend BOX Rule 5050 (Series of Options Contracts Open for Trading) to permit the expansion of Monday expirations in Exchange Traded Products (“ETPs”). The text of the proposed rule change is available from the principal office of the Exchange, at the Commission’s Public Reference Room and also on the Exchange’s Internet website at <https://rules.boxexchange.com/rulefilings>.

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 self-regulatory organization 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 self-regulatory organization has

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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 BOX Rule 5050 (Series of Options Contracts Open for Trading) to permit the expansion of Monday expirations in ETPs. Specifically, the Exchange proposes to expand the Short Term Option Series Program to permit the listing of two Monday expirations for options on SPDR Gold Shares (“GLD”), iShares Silver Trust (“SLV”), and iShares 20+ Year Treasury Bond ETF (“TLT”) (collectively “Exchange Traded Products” or “ETPs”).³ This is a competitive filing that is based on a proposal recently submitted by Nasdaq ISE, LLC (“ISE”) and approved by the Commission.⁴

Currently, as set forth in IM-5050-6 (Short Term Option Series Program), after an option class has been approved for listing and trading on the Exchange as a Short Term Option Series pursuant to BOX Rule 100(a)(66),⁵ the Exchange may open for trading on any Thursday or Friday that is a business day (“Short Term Option Opening Date”) series of options on that class that expire at the close of business on each of the

³ Today, the Exchange permits the listing of two Wednesday expirations for options on GLD, SLV, and TLT. See Securities Exchange Act Release No. 98997 (November 21, 2023), 88 FR 82929 (November 27, 2023) (SR-BOX-2023-27) (“Wednesday Approval Order”). The Exchange began listing Wednesday expirations on these five symbols on November 21, 2023. See Notice 2023-423.

⁴ See Securities Exchange Act Release No. 100837 (August 27, 2024) (Order Approving SR-ISE-2024-21).

⁵ BOX Rule 100(a)(66) provides that a Short Term Option Series means a series in an option class that is approved for listing and trading on the Exchange in which the series is opened for trading on any Monday, Tuesday, Wednesday, Thursday or Friday that is a business day and that expires on the Monday, Wednesday or Friday of the following business week that is a business day, or, in the case of a series that is listed on a Friday and expires on a Monday, is listed one business week and one business day prior to that expiration. If a Tuesday, Wednesday, Thursday or Friday is not a business day, the series may be opened (or shall expire) on the first business day immediately prior to that Tuesday, Wednesday, Thursday or Friday. For a series listed pursuant to this section for Monday expiration, if a Monday is not a business day, the series shall expire on the first business day immediately following that Monday.

next five Fridays that are business days and are not Fridays in which standard expiration options series, Monthly Options Series, or Quarterly Options Series expire (“Friday Short Term Option Expiration Dates”). The Exchange may have no more than a total of five Short Term Option Expiration Dates. Further, if the Exchange is not open for business on the respective Thursday or Friday, the Short Term Option Opening Date for Short Term Option Weekly Expirations will be the first business day immediately prior to that respective Thursday or Friday. Similarly, if the Exchange is not open for business on a Friday, the Short Term Option Expiration Date for Short Term Option Weekly Expirations will be the first business day immediately prior to that Friday.

Additionally, the Exchange may open for trading series of options on the symbols provided in Table 1 of IM-5050-6 that expire at the close of business on each of the next two Mondays, Tuesdays, Wednesdays, and Thursdays, respectively, that are business days beyond the current week and are not business days in which standard expiration options series, Monthly Options Series, or Quarterly Options Series expire (“Short Term Option Daily Expirations”).⁶ For those symbols listed in Table 1, the Exchange may have no more than a total of two Short Term Option Daily Expirations beyond the current week for each of Monday, Tuesday, Wednesday, and Thursday expirations, as applicable, at one time.

At this time, the Exchange proposes to expand the Short Term Option Daily Expirations to permit the listing and trading of options on GLD, SLV, and TLT expiring on Mondays. The Exchange proposes to permit two Short Term Option

⁶ As set forth in Table 1, the Exchange currently only permits Wednesday expirations for USO, UNG, GLD, SLV, and TLT.

Expiration Dates beyond the current week for each Monday expiration at one time, and would update Table 1 in IM-5050-6 for each of those symbols accordingly.

The proposed Monday GLD, SLV, and TLT expirations will be similar to the current Monday SPY, QQQ, and IWM Short Term Option Daily Expirations set forth in IM-5050-6, such that the Exchange may open for trading on any Friday or Monday that is a business day (beyond the current week) series of options on GLD, SLV, and TLT to expire on any Monday of the month that is a business day and is not a Monday in which standard expiration options series, Monthly Options Series, or Quarterly Options Series expire, provided that Monday expirations that are listed on a Friday must be listed at least one business week and one business day prior to the expiration (“Monday GLD Expirations,” “Monday SLV Expirations,” and “Monday TLT Expirations”) (collectively, “Monday ETP Expirations”).⁷ In the event Short Term Option Daily Expirations expire on a Monday and that Monday is the same day that a standard expiration options series, Monthly Options Series, or Quarterly Options Series expires, the Exchange would skip that week’s listing and instead list the following week; the two weeks would therefore not be consecutive. Today, Monday expirations in SPY, QQQ, and IWM similarly skip the weekly listing in the event the weekly listing expires on the same day in the same class as a standard expiration options series, Monthly Options Series, or Quarterly Options Series.

The interval between strike prices for the proposed Monday ETP Expirations will be the same as those currently applicable to the Short Term Option Series Program.⁸ Specifically, the Monday ETP Expirations will have a strike interval of (i)

⁷ Today, GLD, SLV, and TLT may trade on Wednesdays. See supra note 3. They may also trade on Fridays, as is the case for all options series in the Short Term Option Series Program.

⁸ See IM-5050-6(b)(5).

\$0.50 or greater for strike prices below \$100, and \$1 or greater for strike prices between \$100 and \$150 for all option classes that participate in the Short Term Option Series Program, (ii) \$0.50 for option classes that trade in one dollar increments in Related non-short Term Options and are in the Short Term Option Series Program, or (iii) \$2.50 or greater for strike prices above \$150.⁹ As is the case with other equity options series listed pursuant to the Short Term Option Series Program, the Monday ETP Expirations series will be P.M.-settled.

Pursuant to Rule 100(a)(66), with respect to the Short Term Option Series Program, if a Monday is not a business day, the series shall expire on the first business day immediately following that Monday.

Currently, for each option class eligible for participation in the Short Term Option Series Program, the Exchange is limited to opening thirty (30) series for each expiration date for the specific class.¹⁰ The thirty (30) series restriction does not include series that are open by other securities exchanges under their respective weekly rules; the Exchange may list these additional series that are listed by other options exchanges.¹¹ With the proposed changes, this thirty (30) series restriction would apply to Monday GLD, SLV, and TLT Short Term Option Daily Expirations as well. In addition, the Exchange will be able to list series that are listed by other exchanges, assuming they file similar rules with the Commission to list Monday ETP Expirations.

With this proposal, Monday ETP Expirations would be treated similarly to existing Monday SPY, QQQ, and IWM Expirations. With respect to standard expiration option series, Short Term Option Daily Expirations will be permitted to expire in the

⁹ Id.

¹⁰ See IM-5050-6(b)(1).

¹¹ See IM-5050-6.

same week in which standard expiration option series on the same class expire.¹² Not listing Short Term Option Daily Expirations for one week every month because there was a standard options series on that same class on the Friday of that week would create investor confusion.

Further, as with Monday SPY, QQQ, and IWM Expirations, the Exchange would not permit Monday ETP Expirations to expire on a business day in which standard expiration option series, Monthly Options Series, or Quarterly Options Series expire.¹³ Therefore, all Short Term Option Daily Expirations would expire at the close of business on each of the next two Mondays, Tuesdays, Wednesdays, and Thursdays, respectively, that are business days and are not business days in which standard expiration option series, Monthly Options Series, or Quarterly Options Series expire. The Exchange believes that it is reasonable to not permit two expirations on the same day in which a standard expiration option series, Monthly Options Series, a Quarterly Options Series would expire because those options would be duplicative of each other.

The Exchange does not believe that any market disruptions will be encountered with the introduction of Monday ETP Expirations. The Exchange currently trades P.M.-settled Short Term Option Series that expire Monday for SPY, QQQ and IWM and has not experienced any market disruptions nor issues with capacity.¹⁴ In addition, the

¹² See IM-5050-6(b)(2).

¹³ See IM-5050-6(b).

¹⁴ In its filing to expand the Short Term Options Series Program to permit GLD, SLV, and TLT Monday Expirations, ISE provided charts and analysis demonstrating the percentage of weekly listings in the options industry compared to monthly, quarterly, and Long-Term Options Series for a twelve-month period ending on February 22, 2024. The information includes time averaged data (the number of strikes by maturity date divided from the number of trading days) for all 17 options markets through February 22, 2024. The analysis showed less volatility in GLD, SLV, and TLT (both in terms of post-close and during the last 30 minutes of trading) compared to SPY, QQQ, and IWM, which have alternative expirations (including Monday expirations) today. ISE sourced this information, which are estimates, from OCC. See Securities Exchange Act Release No. 100837 (August 27, 2024) (SR-ISE-2024-21).

Exchange has not experienced any market disruptions or issues with capacity in expanding the three ETPs to the Wednesday expirations.¹⁵ Today, the Exchange has surveillance programs in place to support and properly monitor trading in Short Term Option Series that expire Monday for SPY, QQQ and IWM. Further, the Exchange has the necessary capacity and surveillance programs in place to support and properly monitor trading in the proposed Monday ETP Expirations.

2. Statutory Basis

The Exchange believes that the proposal is consistent with the requirements of Section 6(b) of the Securities Exchange Act of 1934 (the “Act”),¹⁶ in general, and Section 6(b)(5) of the Act,¹⁷ in particular, in that it is 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 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.

Similar to Monday expirations in SPY, QQQ, and IWM, the proposal to permit Monday ETP Expirations, subject to the proposed limitation of two expirations beyond the current week, would protect investors and the public interest by providing the investing public and other market participants more choice and flexibility to closely tailor their investment and hedging decisions in these options and allow for a reduced premium cost of buying portfolio protection, thus allowing them to better manage their risk exposure. The Exchange believes that there is general demand for alternative

¹⁵ See *supra* note 3.

¹⁶ 15 U.S.C. 78f(b).

¹⁷ 15 U.S.C. 78f(b)(5).

expirations based on the analysis discussed above,¹⁸ notably comparing the average daily contracts traded in options overlying SPY, QQQ, and the three ETPs five months before and after the introduction of alternative expirations on those symbols. The Exchange observes that the ISE data shows a volume increase in SPY and QQQ in the five-month period following the introduction of Tuesday and Thursday expirations, which suggests there is indeed genuine new interest in these alternative expirations (as opposed to existing interest being cannibalized).¹⁹ The Exchange observes that the ISE data shows a volume increase in the majority of the three ETPs in the five-month period following the introduction of Wednesday expirations, likewise indicating the existence of general demand for alternative expirations in these symbols.²⁰

BOX represents that it has an adequate surveillance program in place to detect manipulative trading in the proposed option expirations, in the same way that it monitors trading in the current Short Term Option Series for Monday SPY, QQQ and IWM expirations. The Exchange also represents that it has the necessary system capacity to support the new expirations. Finally, the Exchange does not believe that any market disruptions will be encountered with the introduction of these option expirations. As discussed above, the Exchange believes that its proposal is a modest expansion of weekly expiration dates for GLD, SLV, and TLT given that it will be limited to two Monday expirations beyond the current week.²¹

The Exchange believes that the proposal is consistent with the Act as the proposal would overall add a small number of Monday ETP Expirations by limiting the

¹⁸ See *supra* note 14.

¹⁹ *Id.*

²⁰ *Id.*

²¹ *Id.*

addition of two Monday expirations beyond the current week. The addition of Monday ETP Expirations would remove impediments to and perfect the mechanism of a free and open market by encouraging Market Makers to continue to deploy capital more efficiently and improve displayed market quality.²² The Exchange believes that the proposal will allow Participants to expand hedging tools and tailor their investment and hedging needs more effectively in GLD, SLV, and TLT as these funds are most likely to be utilized by market participants to hedge the underlying asset classes. As stated in the Wednesday Approval Order, the ETPs currently trade within “complexes” where, in addition to the underlying security, there are multiple instruments available for hedging. Given the multi-asset class nature of these products and available hedges in highly correlated instruments, the Exchange believes that its proposal to add Monday expirations on these products will provide market participants with additional useful hedging tools for the underlying asset classes.

Similar to Monday SPY, QQQ, and IWM expirations, the introduction of Monday ETP Expirations is consistent with the Act as it will, among other things, expand hedging tools available to market participants and allow for a reduced premium cost of buying portfolio protection. The Exchange believes that Monday ETP Expirations will allow market participants to purchase options on GLD, SLV, and TLT based on their timing as needed and allow them to tailor their investment and hedging needs more effectively, thus allowing them to better manage their risk exposure. Today, BOX lists Monday SPY, QQQ, and IWM Expirations.²³

²² Today, Market Makers are required to quote a specified time in their assigned options series. See BOX Rule 8050.

²³ See IM-5050-6(b).

In particular, the Exchange believes the Short Term Option Series Program has been successful to date and that Monday ETP Expirations should simply expand the ability of investors to hedge risk against market movements stemming from economic releases or market events that occur throughout the month in the same way that the Short Term Option Series Program has expanded the landscape of hedging.

There are no material differences in the treatment of Monday SPY, QQQ and IWM expirations compared to the proposed Monday ETP Expirations. Given the similarities between Monday SPY, QQQ and IWM expirations and the proposed Monday ETP Expirations, the Exchange believes that applying the provisions in IM-5050-6(b) that currently apply to Monday SPY, QQQ and IWM expirations is justified. For example, the Exchange believes that allowing Monday ETP Expirations and monthly Exchange Traded Product expirations in the same week will benefit investors and minimize investor confusion by providing Monday ETP Expirations in a continuous and uniform manner.

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 not necessary or appropriate in furtherance of the purposes of the Act. In this regard and as indicated above, the Exchange notes that the rule change is being proposed as a competitive response to a filing submitted by ISE that was recently approved by the Commission.²⁴

While the proposal will expand the Short Term Options Expirations to allow Monday ETP Expirations to be listed on BOX, the Exchange believes that this limited expansion for Monday expirations for options on GLD, SLV, and TLT will not impose

²⁴ See supra note 4.

an undue burden on competition; rather, it will meet customer demand. The Exchange believes that Participants will continue to be able to expand hedging tools and tailor their investment and hedging needs more effectively in GLD, SLV, and TLT.

Similar to Monday SPY, QQQ and IWM expirations, the introduction of Monday ETP Expirations does not impose an undue burden on competition. The Exchange believes that it will, among other things, expand hedging tools available to market participants and allow for a reduced premium cost of buying portfolio protection. The Exchange believes that Monday ETP Expirations will allow market participants to purchase options on GLD, SLV, and TLT based on their timing as needed and allow them to tailor their investment and hedging needs more effectively.

The Exchange does not believe the proposal will impose any burden on intermarket competition, as nothing prevents the other options exchanges from proposing similar rules to list and trade Monday ETP Expirations. Further, the Exchange does not believe the proposal will impose any burden on intra-market competition, as all market participants will be treated in the same manner under this proposal.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

The Exchange has neither solicited nor received comments on the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Pursuant to Section 19(b)(3)(A) of the Act²⁵ and Rule 19b-4(f)(6)²⁶ thereunder, the Exchange has designated this proposal as one that effects a change that: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest.

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 shall institute proceedings to determine whether the proposed rule 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 (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-BOX-2024-22 on the subject line.

²⁵ 15 U.S.C. 78s(b)(3)(A).

²⁶ 17 CFR 240.19b-4(f)(6).

Paper Comments

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-BOX-2024-22. This file number should be included on the subject line if e-mail 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 Web site (<http://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 Web site viewing and printing in the Commission's Public Reference Room, on business days between the hours of 10 a.m. and 3 p.m., located at 100 F Street, NE, Washington, DC 20549. Copies of such filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly.

All submissions should refer to File Number SR-BOX-2024-22 and should be submitted on or before [date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁷

²⁷ 17 CFR 200.30-3(a)(12).

Kevin M. O'Neill
Deputy Secretary

EXHIBIT 5

New language
[deleted language]

BOX Exchange LLC

* * * * *

Rule 5050 Series of Options Contracts Open for Trading

(a) through (g) No change.

IM-5050-1 through IM-5050-5

No change.

IM-5050-6 Short Term Option Series Program

- (a) After an option class has been approved for listing and trading on BOX as a Short Term Option Series pursuant to BOX Rule 100(a)(66), BOX may open for trading on any Thursday or Friday that is a business day (“Friday Short Term Option Opening Date”) series of options on that class that expire on each of the next five Fridays that are business days and are not Fridays in which standard expiration options series, Monthly Options Series, or Quarterly Options Series expire (“Friday Short Term Option Expiration Dates”). The Exchange may have no more than a total of five Friday Short Term Option Expiration Dates (“Short Term Option Weekly Expirations”). If BOX is not open for business on the respective Thursday or Friday, the Short Term Option Opening Date for Short Term Option Weekly Expirations will be the first business day immediately prior to that respective Thursday or Friday. Similarly, if BOX is not open for business on a Friday, the Short Term Option Expiration Date for Short Term Option Weekly Expirations will be the first business day immediately prior to that Friday.

Short Term Option Daily Expirations

In addition to the above, BOX may open for trading series of options on the symbols provided in Table 1 below that expire at the close of business on each of the next two Mondays, Tuesdays, Wednesdays, and Thursdays, respectively, that are business days beyond the current week and are not business days in which standard expiration options series, Monthly Options Series or Quarterly Options Series expire (“Short Term Option Daily Expirations”). BOX may have no more than a total of two Short Term Option Daily Expirations beyond the current week

for each of Monday, Tuesday, Wednesday, and Thursday expirations at one time. Short Term Option Daily Expirations would be subject to this IM-5050-6.

Table 1

Symbol	Number of Expirations			
	Monday	Tuesday	Wednesday	Thursday
SPY	2	2	2	2
IWM	2	2	2	2
QQQ	2	2	2	2
USO	0	0	2	0
UNG	0	0	2	0
GLD	[0]2	0	2	0
SLV	[0]2	0	2	0
TLT	[0]2	0	2	0
	*	*	*	*