



Cboe Options Trading Permit Sliding Scale and Affiliate Access Credit Programs

Reference ID: C2018121700

Overview

A Trading Permit Holder (TPH) that wishes to participate in either the Market-Maker Trading Permit Sliding Scale program or the Floor Broker Trading Permit Sliding Scale program as discussed below must complete the attached Market-Maker Election to Participate for 2019 Form or the Floor Broker Election to Participate for 2019 Form (“Election Form”), as applicable. The Election Form must be signed by an authorized signatory for the Trading Permit Holder and emailed to MembershipServices@cboe.com by December 28, 2018. Please note that Cboe Options will be migrating to a new trading platform (Bats Tech) on October 7, 2019 and as a result of that migration, subject to regulatory review, these programs will only be in effect from January 2019 through September 2019. Prior to the completion of the migration, the Exchange will review the program and notify all Trading Permit Holders of any changes for the plan implemented in October 2019.

Market-Maker Trading Permit Sliding Scale

The following sliding scale will be available for all Market-Maker Trading Permits held by affiliated Trading Permit Holders and TPH organizations that are used for appointments in any options classes other than SPX/SPXW, RUT, VIX, OEX and XEO. Any Market-Maker Trading Permits used for these five classes, whether in whole or in part, are excluded from this sliding scale and will be assessed at \$5,000 per month. To qualify for the rates set forth in Tiers 1 and 2 in the sliding scale from January 2019 through September 2019, the applicable Trading Permit Holder(s) and/or TPH organization must commit in advance to a specific tier that includes a minimum number of eligible Market-Maker Trading Permits (either eleven permits or twenty-one permits). To do so, a Market-Maker Trading Permit Holder must notify the Membership Services Department of the Tier of eligible Market-Maker Trading Permits committed to by that Market-Maker Trading Permit Holder for 2019. A Market-Maker may commit to a higher tier at any time during the year if it notifies the Membership Services Department by the 25th day of the month preceding the month in which the higher tier will become effective (or the preceding business day if the 25th is not a business day) and will be responsible for the minimum number of permits in the commitment tier through September 2019. If a Trading Permit Holder combines, merges, or is acquired during the course of the calendar year through September 2019, the surviving Trading Permit Holder will maintain responsibility for the committed number of eligible Market-Maker Trading Permits.

For Market-Makers interested in participating in the Market-Maker Trading Permit Sliding Scale from January 2019 to September 2019, Tier commitments must be received by December 28, 2018. Market-

Makers are not obligated to commit to either tier. However, the discounts will apply only to those that do commit to Tier 1 or Tier 2 through September 2019.

Market-Maker Permit Sliding Scale	From	To	Amount per Month per Permit
	1 permit	10 permits	\$5,000
Tier 1	11 permits	20 permits	\$3,700
Tier 2	21 or more permits		\$1,800

Floor Broker Trading Permit Sliding Scale

The following sliding scale will be available for Floor Broker Trading Permits held by affiliated Trading Permit Holders and TPH organizations. To qualify for the rates set forth in Tiers 1 and 2 in the sliding scale for 2019, the applicable Trading Permit Holder(s) and/or TPH organization must commit in advance to a specific tier that includes a minimum number of eligible Floor Broker Trading Permits (either two permits or six permits). To do so, a Floor Broker Trading Permit Holder must notify the Membership Services Department of the Tier of Floor Broker Trading Permits committed to by that Floor Broker Trading Permit Holder from January 2019 through September 2019. A Floor Broker Trading Permit Holder may commit to a higher tier at any time during the year if it notifies the Membership Services Department by the 25th day of the month preceding the month in which the higher tier will become effective (or the preceding business day if the 25th is not a business day) and will be responsible for the minimum number of permits in the commitment tier through September 2019. If a Trading Permit Holder combines, merges, or is acquired during the course of the calendar year through September 2019, the surviving Trading Permit Holder will maintain responsibility for the committed number of eligible Floor Broker Trading Permits.

For Floor Broker Trading Permit Holders interested in participating in the Floor Broker Trading Permit Sliding Scale from January 2019 through September 2019, Tier commitments must be received by December 28, 2018. Floor Brokers are not obligated to commit to either tier. However, the discounts will apply only to those that do commit to Tier 1 or Tier 2 through September 2019.

Floor Broker Trading Permit Sliding Scale	From	To	Amount per Month Per Permit
	1 permit	1 permit	\$9,000
Tier 1	2 permits	5 permits	\$5,000
Tier 2	6 or more permits		\$3,000

Market-Maker Trading Permit and Floor Broker Trading Permit Sliding Scale Programs

If a Trading Permit Holder chooses to commit to either Tier 1 or Tier 2, that Trading Permit Holder will be responsible for the minimum number of permits in the commitment tier through September 2019. Even if a Trading Permit Holder does not maintain the minimum level of eligible Trading Permits in the tier, the Trading Permit Holder is still responsible for the minimum payment for that commitment tier through September 2019.

Trading Permit Holders will be able to commit to a higher tier of the sliding scale(s) through September 2019, during the commitment year, if the Trading Permit Holder obtains enough eligible Market-Maker Trading Permits or Floor Broker Trading Permits, as applicable, and provides the Election Form to the Membership Services Department by the 25th day of the month preceding the month in which the higher tier will become effective (or the preceding business day if the 25th is not a business day).

Market-Maker and Floor Broker Affiliate Access Credit Programs

Cboe Options will also be continuing the access credit programs for both Market-Makers and Floor Brokers through September 2019. Eligibility for the Affiliate Access Programs does not require a commitment by the respective Trading Permit Holder.

Market-Maker: For any Market-Maker affiliate who receives a credit under the Exchange's Volume Incentive Program (VIP), the Market-Maker will receive a credit on its Trading Permit Fees, corresponding to the VIP tier reached. For the 2019 VIP through September 2019, subject to regulatory review, the Exchange is adjusting the Percentage Thresholds of National Customer Volume for Tier 4 from Above 3.00% - 4.00% to Above 3.00% - 3.75% and Tier 5 from Above 4.00% to Above 3.75%. Tiers 1-3 remain unchanged. As of the date of this Notice, National Customer Volume includes All Underlying Symbols Excluding Underlying Symbol List A, Sector Indexes, DJX, MXEA, MXEF, MNX, NDX, XSP, and XSPAM (monthly). Underlying Symbol List A consists of OEX, XEO, RUT, RUI, RLV, RLG, AWDE, FTEM, UKXM, FXTM, SPX (including SPXW), VIX, Volatility Indexes and binary options. The VIP Tier, Percentage Thresholds and Market-Maker Trading Permit Fee Credit are shown in the table below. This credit will not apply to Market-Maker Trading Permits used for appointments in SPX/SPXW, VIX, RUT, OEX and XEO.

VIP Tier	Percentage Thresholds of National Customer Volume in Multiply-Listed Options Classes (Monthly)	Market-Maker Trading Permit Fee Credit
1	0% - 0.75%	
2	Above 0.75% - 2.00%	10%
3	Above 2.00% - 3.00%	15%
4	Above 3.00% - 3.75%	30%
5	Above 3.75%	35%

Floor Broker: Through September 2019, any Floor Broker Trading Permit Holder that executes an average of 15,000 customer (including professional and voluntary professional) open-outcry contracts per day over the course of a calendar month in all underlying symbols except Sector Indexes, SPX/SPXW, VIX, RUT, OEX, XEO, VOLATILITY INDEXES, binary options, DJX, XSP, XSPAM and subcabinet trades ("Qualifying Symbols") will receive a rebate of \$9,000 on that Floor Broker Trading Permit Holder's Floor Broker

Trading Permit Fees. Any Floor Broker Trading Permit Holder that executes an average of 25,000 customer (including professional and voluntary professional) open-outcry contracts per day over the course of a calendar month in the Qualifying Symbols will receive a rebate of \$14,000 on that Floor Broker Trading Permit Holder's Floor Broker Trading Permit Fees. For purposes of determining the rebate, the qualifying volume of all Floor Broker Trading Permit Holders affiliated with a single TPH organization will be aggregated and, if such total meets or exceeds the customer open-outcry contracts per day thresholds in the Qualifying Symbols, that TPH organization will receive a single rebate, regardless of the number of Floor Broker Trading Permits affiliated with that organization.

More Information

Please contact Membership Services for questions about the forms needed to apply for the permit sliding scales. Contact Cboe Operations Support Center with any questions you may have regarding the fee schedule or the qualification requirements for the programs listed above.

Additionally, you may refer to rule filing [SR-CBOE-2013-109](#) and the Cboe Options Fees Schedule for more details.

We appreciate your business and remain committed to powering your potential with Cboe products, technologies and solutions.

Cboe Options Fees Schedule

<http://www.cboe.com/publish/feeschedule/CBOEFeeSchedule.pdf>

Cboe Membership Services Department

312.786.7449

MembershipServices@cboe.com

Cboe Operations Support Center

312.786.7100

helpdesk@cboe.com

**MARKET-MAKER TRADING PERMIT SLIDING SCALE
ELECTION TO PARTICIPATE FOR JANUARY 2019 THROUGH SEPTEMBER 2019
E-MAIL TO MembershipServices@cboe.com**

TRADING PERMIT HOLDER INFORMATION

Firm Name: _____ Date: _____

Address: _____

Street Address

Suite/Unit

City and State

Zip Code

CONTACT INFORMATION

Name: _____

Last Name

First Name

M.I.

Title: _____

Phone: _____ E-mail Address: _____

ELECTION

Please indicate by a check mark the Tier election: Tier 1 Tier 2

AUTHORIZATION AND SIGNATURE

The Trading Permit Holder elects to participate in the Market-Maker Trading Permit Sliding Scale at the Tier level noted above. We understand that upon election, we are responsible for the minimum number of permits in the commitment tier for the remainder of the calendar year, subject to the terms and conditions set forth in the Cboe Options Fees Schedule.

Authorized
Signature: _____ Date: _____
Print Name: _____

**FLOOR BROKER TRADING PERMIT SLIDING SCALE
ELECTION TO PARTICIPATE FOR JANUARY 2019 THROUGH SEPTEMBER 2019
E-MAIL TO MembershipServices@cboe.com**

TRADING PERMIT HOLDER INFORMATION

Firm Name: _____ Date: _____

Address: _____

Street Address _____ Suite/Unit _____

City and State _____ Zip Code _____

CONTACT INFORMATION

Name: _____

Last Name _____ First Name _____ M.I. _____

Title: _____

Phone: _____ E-mail Address: _____

ELECTION

Please indicate by a check mark the Tier election: Tier 1 Tier 2

AUTHORIZATION AND SIGNATURE

The Trading Permit Holder elects to participate in the Floor Broker Trading Permit Sliding Scale at the Tier level noted above. We understand that upon election, we are responsible for the minimum number of permits in the commitment tier for the remainder of the calendar year, subject to the terms and conditions set forth in the Cboe Options Fees Schedule.

Authorized Signature: _____ Date: _____

Print Name: _____