



Cboe Options Exchange Fee Schedule Updates Effective October 1, 2019 and October 7, 2019

Reference ID: C2019100100

Overview

Effective **Tuesday, October 1, 2019** and **Monday, October 7, 2019**, Cboe will introduce the following pricing changes on the Cboe Options Exchange, *subject to regulatory review*.

Changes Effective October 1, 2019

Customer Transaction Fees in MXEF

The Customer transaction fee of \$0.25 per contract will be waived from October 1, 2019 through December 31, 2019.

Marketing Fee

The Exchange is amending the Marketing Fee program as follows:

- Currently transactions resulting from strategies are excluded from the Marketing Fee when a rebate request has been submitted to the exchange. On the effective date, the Exchange will no longer accept rebate requests, and the marketing fee will be assessed on these transactions.
- Currently, if less than 80% of the marketing fee funds collected in a given month are paid out by a Market Maker (MM), then the Exchange refunds such surplus on a pro rata basis based upon contributions made by the MMs in that month. On the effective date, the Exchange will no longer offer this rebate process.
- On the effective date, the total balance of the Excess Pool of funds for a DPM or Preferred MM will increase from \$100,000 to \$250,000, and the DPM or Preferred MM will no longer be able to elect to have funds in the Excess Pool rebated back to the MMs.
- Currently the Exchange assesses an administrative fee of .45% each month on the total amount of funds collected. On the effective date, this fee will be eliminated.

SPX Select Market Maker

On the effective date, the SPX Select Market Maker ("SMM") incentive program will be modified to require SMMs only to provide continuous electronic quotes in at least 99% of the SPX series 90% of the time in a

given month. If a SMM meets this heightened quoting standard, the SMM will receive a rebate of \$8,000 in the given month.

Clearing Trading Permit Holder Position Re-Assignment

The Exchange currently rebates the assessed transaction fees to an executing Clearing Trading Permit Holder who as a result of a trade adjustment on any business day following the original trade reassigns a position established by the initial trade to a different executing Clearing Trading Permit Holder. On the effective date, this rebate will be eliminated.

Sponsored User Inactivity Fee

The Exchange currently assesses a fee of \$1,000 per month to any Sponsored User who is not software certified by the Exchange and who has not established a production network connection and passed a login test within 90 days of the Exchange's acceptance of its Sponsored User registration status. On the effective date, this fee will be eliminated.

Registration Fees

The following Registration fees will be amended on October 1, 2019:

- Inactive Nominee Status (Parking Space) currently billed \$900 per quarter will be changed to a monthly fee of \$300.
- Inactive Nominee Status Change (Trading Permit Swap) fees will be waived from October 1 through October 4, 2019. Effective October 7, 2019, all trading permit swaps will be assessed a fee of \$100 regardless of submission time.
- The fee of \$1,000 for Joint Account (new joint account) will be eliminated.

Global Trading Hours - LMM Programs

The current SPX and VIX GTH LMM Programs will be replaced with the programs shown below in order to correlate with the structure of the current MSCI LMM Incentive Program.

GTH VIX LMM Incentive Program								
Premium Level	Expiring		Near Term		Mid Term		Long Term	
	7 days or less		8 days to 60 days		61 days to 270 days		271 days or Greater	
	Width	Size	Width	Size	Width	Size	Width	Size
\$0.00 - \$3.00	\$0.50	25	\$0.40	50	\$0.50	25	\$1.00	10
\$3.01 - \$5.00	\$0.75	15	\$0.60	30	\$0.75	15	\$1.50	7
\$5.01 - \$10.00	\$1.00	10	\$0.80	20	\$1.00	10	\$2.00	5
\$10.01 - \$30.00	\$3.00	5	\$1.00	10	\$3.00	5	\$5.00	3
\$30.01 - \$100.00	\$5.00	3	\$3.00	5	\$5.00	3	\$7.00	2
Greater than \$100.01	\$10.00	1	\$5.00	1	\$10.00	1	\$12.00	1

For VIX if the appointed LMM provides continuous electronic quotes during Global Trading Hours that meet or exceed the above heightened quoting standards in at least 99% of the VIX series 90% of the time

in a given month, the LMM will receive a rebate for that month in the amount of a pro-rata share of a compensation pool for VIX equal to \$20,000 times the number of LMMs in that class (or pro-rated amount if an appointment begins after the first trading day of the month or ends prior to the last trading day of the month) for that month.

For example, if two LMMs are appointed in VIX, a compensation pool will be established each month for VIX totaling \$40,000. If for example each LMM meets the heightened continuous quoting standard in VIX during a month, each will receive \$20,000. If only one LMM meets the heightened continuous quoting standard in VIX during a month, that LMM would receive \$40,000 and the other one would receive nothing. The Exchange may consider other exceptions to this quoting standard based on demonstrated legal or regulatory requirements or other mitigating circumstances. For October 2019, the heightened quoting standard will only apply for the period of October 7 - October 31.

GTH SPX/SPXW LMM Incentive Program								
Premium Level	Expiring		Near Term		Mid Term		Long Term	
	7 days or less		8 days to 60 days		61 days to 270 days		271 days or Greater	
	Width	Size	Width	Size	Width	Size	Width	Size
\$0.00 - \$5.00	\$0.50	10	\$0.40	25	\$0.60	15	\$1.00	10
\$5.01 - \$15.00	\$2.00	7	\$1.60	18	\$2.40	11	\$4.00	7
\$15.01 - \$50.00	\$5.00	5	\$4.00	13	\$6.00	8	\$10.00	5
\$50.01 - \$100.00	\$10.00	3	\$8.00	8	\$12.00	5	\$20.00	3
\$100.01 - \$200.00	\$20.00	2	\$16.00	5	\$24.00	3	\$40.00	2
Greater than \$200.01	\$30.00	1	\$24.00	3	\$36.00	1	\$60.00	1

For SPX and SPXW if the appointed LMM provides continuous electronic quotes during Global Trading Hours that meet or exceed the above heightened quoting standards in at least 99% of each of the SPX and SPXW series 90% of the time in a given month, the LMM will receive a rebate for that month in the amount of a pro-rata share of a compensation pool for SPX and a compensation pool for SPXW equal to \$15,000 times the number of LMMs in that class (or pro-rated amount if an appointment begins after the first trading day of the month or ends prior to the last trading day of the month) for that month.

For example, if two LMMs are appointed in SPX a compensation pool will be established each month for (i) SPX totaling \$30,000 and (ii) SPXW totaling \$30,000. If for example each LMM meets the heightened continuous quoting standard in SPX and SPXW during a month, each will receive \$30,000. If only one LMM meets the heightened continuous quoting standard in SPX and SPXW during a month, that LMM would receive \$60,000 and the other one would receive nothing. The Exchange may consider other exceptions to this quoting standard based on demonstrated legal or regulatory requirements or other mitigating circumstances. For October 2019, the heightened quoting standard will only apply for the period of October 7 - October 31.

Changes Effective October 7, 2019

SPX Execution Surcharge

The Execution Surcharge for SPX is currently \$0.21 per contract assessed on all SPX electronic executions for all origins excluding Market Maker ("M" origin code) during Regular Trading Hours. Beginning October 7, 2019, this surcharge will also be assessed during Global Trading Hours. Also, this surcharge does not currently apply to orders in SPX or SPXW options in the SPX electronic book for SPX or SPXW options executed during opening rotation on the final settlement date of VIX options and futures which have the expiration that contribute to the VIX settlement. On the effective date, this will be amended to only exclude those orders which have the expiration that are used in the VIX settlement calculation.

Sector Indexes – Facilitations

Transaction fees for facilitations in Sector Indexes are currently waived through December 31, 2019 for both electronic and manual executions. On October 7, 2019 these fee will only be waived for manual executions.

Linkage Fees

For non-customer orders, the Exchange assesses a \$0.70 per contract routing fee in addition to the customary Cboe Options execution charges. For public customer orders, the Exchange currently assesses the customary Cboe Options execution charges, the specific away exchange transaction fees for that order plus an additional \$0.15 per contract routing fee. On October 7, 2019, Linkage Fees will be assessed as an all-in rate per contract, and for Customer orders, based on the exchange where the order is being routed. New linkage fee codes and rates are below. All other fee codes can be found in Exchange Notice [C2019090400](#).

Code	Description	Fee
RD	Customer, Routed to AMEX, BOX, BX, EDGX, MERC, MIAX, PHLX, ≥ 100 contracts, ETF	0.33
RE	Customer, Routed to AMEX, BOX, BX, EDGX, MERC, MIAX, PHLX, < 100 contracts ETF, Equity	0.15
RF	Customer, Routed to ARCA, BZX, C2, ISE, GMNI, EMLD, PERL, NOMX, ≥ 100 contracts ETF, Penny	0.83
RG	Customer, Routed to ARCA, BZX, C2, ISE, GMNI, EMLD, PERL, NOMX, ≥ 100 contracts ETF, Non-Penny	1.18
RH	Customer, Routed to ARCA, BZX, C2, ISE, GMNI, EMLD, PERL, NOMX, <100 contracts ETF, Equity, Penny	0.65
RI	Customer, Routed to ARCA, BZX, C2, ISE, GMNI, EMLD, PERL, NOMX, <100 contracts ETF, Equity, Non-Penny	1.00
RJ	Non-Customer, Routed, Penny	1.17
RK	Non-Customer, Routed, Non-Penny	1.45

Stock Portion of Stock-Option Strategy Orders

The Exchange is amending this fee to be a maximum of \$50.00 per execution from \$50.00 per order.

Exchange Disruption

Currently, in the event of a Cboe Options system outage or other interruption of electronic trading on Cboe Options, the Exchange will adjust the national volume for the duration of the outage. On the effective date, the national volume for the entire trading day will only be adjusted for exchange disruptions longer than 60 minutes.

CFLEX AIM Response

On the effective date, CFLEX AIM response fees are being eliminated, and the corresponding AIM rates will be assessed.

Subcabinet Trades

Currently the Exchange assesses no transaction fees or surcharges for subcabinet trades, and such trades are also excluded from any volume thresholds or volume threshold calculations. On the effective date subcabinet trades will be treated the same as cabinet trades, with transaction fees and surcharges assessed and volume counting towards thresholds where applicable.

AIM Contra Fee

Currently, instead of the applicable standard transaction fee, the AIM Contra Fee applies to AIM Contra executions except if the applicable standard transaction fee is lower than \$.07 per contract, in which case the applicable standard transaction fee will apply. On the effective date, the Exchange is eliminating this exception and will assess \$.07 per contract for all AIM Contra executions.

More Information

Please contact the [Cboe Trade Desk](#) or your [Director of Sales](#) with any questions. We appreciate your business and remain committed to powering your potential with Cboe products, technologies and solutions.

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