



## Cboe Options Exchange Integration Billing and Fee Updates

Reference ID: C2019090400

### Overview

Upon the migration of the Cboe Options Exchange (“C1”) to Bats technology on October 7, 2019, *subject to regulatory review*, Cboe Global Markets will introduce the following billing, billing report, and pricing changes.

### Transaction Fee Split Billing

For the month of October 2019, C1 Trading Permit Holders will be issued two separate invoices.

1. The first invoice will apply to transaction fees for transactions occurring October 1, 2019 through October 4, 2019 and will be in the current invoice format.
2. The second invoice will apply to transaction fees for transactions occurring between October 7, 2019 and October 31, 2019.
  - a. This invoice will be in the new format, currently used for BZX, C2, and EDGX Options Exchanges.
  - b. This invoice will also include all non-transaction based fees for the entire month of October, including logical ports, permit and appointment fees, and facilities fees.

As of October billing (on November 1, 2019), physical ports and network access port fees (also called Direct Data Access fees) will be billed on a Cboe Global Markets invoice along with any other Cboe physical ports and Cboe market data charges.

Adjustments to transaction fees such as sliding scales and incentive programs will be calculated separately for the two time periods wherever possible. For any programs that rely on total volume for the month, rather than percentage, volume from both time periods will be aggregated and those adjustments will be reflected on the second invoice. Both invoices will be included in the payment draft from the OCC.

Sales tax for all applicable services will appear on the C1 invoice for the October 7, 2019 through the end of month time frame. This is a change from previous billing.

Invoices for the October 7, 2019 through the end of month time frame, and all subsequent monthly invoices, will be available on the customer portal at <https://markets.cboe.com/>. Users who currently have access to BZX, C2, and EDGX Options invoices will automatically have access to C1 invoices on the portal. New users will need to have web portal accounts created by their account administrators.

## Exceptions to Split Billing

All transaction fees will be split billed for the month of October with the exception of the following.

- Clearing Trading Permit Holder Fee Cap
- Complex Order Router Subsidy
- Floor Brokerage Fees
- Floor Brokerage Fees Discount Scale
- Frequent Trader Program
- Order Router Subsidy
- ORF
- QCC Fee Cap

An example of the C1 invoices that will be issued for transactions occurring between October 7, 2019 and October 31, 2019 in the new format can be found under “Sample Billing Reports” on the [Cboe Options Integration website](#).

## New Cboe Options Billing Reports

Effective October 7, 2019 existing C1 billing reports and files will be discontinued and replaced with new files and reports for C1. New reports will be available for C1 and will follow a new format that may be different from current reports available for BZX, C2 and EDGX. Examples of new C1 billing files can be found on the [Cboe Options Integration website](#). New or modified reports and files that will be available upon migration are detailed below.

### Daily Billing Reports

These are new reports available for TPHs receiving C1 billing information. TPHs may sign up to receive daily reports emailed for each billing program, such as Liquidity Provider Sliding Scale, VIP, AVP, and others. These reports will contain summary volume and achieved tier information. A sample of daily billing reports are available under “Sample Billing Reports” on the [Cboe Options Integration website](#).

### Daily Trade Data File

This daily file contains all executed trades for the day and is updated on a near real-time basis. Additional information about the Trade Data file can be found in the [US Customer Web Portal Specification](#). New fields have been added to the Trade Data file to accommodate C1. These new fields are **Frequent Trader ID, Strategy ID, Compression Trade, and Names Later ID**.

### Daily Month-To-Date Fee Detail File and VIP Fee Detail File

This new file, a companion file to the Daily Trade Data file, will contain Month-to-Date (MTD) data for all surcharges and discounts to base transaction fees. TPHs can combine the Daily MTD Fee Detail file with the Daily Trade Data file to calculate the exact cost of each trade on a given day. Since a given trade can have a different discount from one day to the next, the file contains all trades for the month. This file will be available via SFTP from the same location as current C1 billing files.

A VIP fee detail file will be available with the same format as the Fee Detail file but will contain only VIP adjustments on VIP-eligible trades and will be available to the VIP flow provider.

Please note that Cboe may add new fields to any of these CSV files and may add new columns or program names at any time. However, the order of existing columns within these CSV files will never change.

The Daily MTD Fee Detail file includes the following data:

- Executing Broker ID (EFID)
- Trade Date
- Execution ID (can be used to join with the Trade Data File)
- Side
- Size
- Program (see list of programs below)
- Fee

The values contained within the Program field of the Daily MTD Fee Detail file correspond to various fee programs on the fee schedule. The program names are included below for the convenience of TPHs choosing to use the new Fee Detail file.

affiliate_volume_plan	floor_brokerage_fees_discount_scale
all_base	freqtrader_rut
bunding_vip	freqtrader_spx
bundling_large	freqtrader_vix
cflex	index_djx_etc
clearing_tph_holder_fee_cap	index_oex_etc
clearing_tph_products_sliding_scale_sans_vix	index_rut_etc
clearing_tph_products_sliding_scale_vix	index_spx_etc
complex_order_router_subsidy	large_trade_discount_customer_etf_etn
complex_surcharge	large_trade_discount_customer_other
customer_priority_vix	large_trade_discount_customer_spx
electronic_etf_etn	large_trade_discount_customer_vix
execution_surcharge_spx	large_trade_discount_non_customer_vix
execution_surcharge_spxw	liquidity_provider_sliding_scale
exotic	liquidity_provider_sliding_scale_adjust
exotic_xsp	marketing_fee_n
floor_broker_fee_oex_crossed	marketing_fee_p
floor_broker_fee_oex_non_crossed	order_router_subsidy
floor_broker_fee_vix_crossed	penny_fee_cap
floor_broker_fee_vix_non_crossed	qcc_credit

## **Additional Program Changes**

### **Marketing Fees (PFOF)**

Upon the migration of C1 to Bats technology, C1 Marketing Fees (PFOF) will be administered according to the current process used for EDGX Options. C1 PFOF reports are new for C1 and will be presented in a new format. PFOF reports and data will be accessible through the Cboe Customer Web Portal. A sample PFOF report is available under “Sample Billing Reports” on the [Cboe Options Integration website](#).

## LMM/SMM

A common Liquidity Provider Incentive Program framework (“LPIP Framework”) has been designed to replace the following legacy programs. Each program will have a month-to-date billing report. Details of these revised programs will be made available separately prior to launch.

- GTH LMM VIX Rebate
- GTH LMM SPX Rebate
- SPX Select Market-Maker (“SMM”) Program
- MSCI LMM Program

## Forms

Cboe will no longer accept forms, emailed files, or email requests for a number of programs. Particularly, TPHs may not submit forms, files, or email requests for any trades occurring after October 4, 2019. Instead, beginning October 7, 2019, TPHs must either mark inbound orders appropriately by populating the appropriate FIX or BOE field or make same-day changes in the Clearing Editor. Listed below are programs for which TPHs can no longer submit forms, as well as the associated fields that should be populated per the FIX or BOE specifications where applicable.

- Frequent Trader (*FrequentTraderID*, FIX Tag 21097)
- Strategy Rebate (*StrategyID*, FIX Tag 22002)
- Compression Trade Rebate (*Compression*, FIX Tag 22006)
- Large Trade Discounts

## Cboe Options Transaction Fee Codes

The following transaction fee codes will be effective for Cboe Options effective October 7, 2019, *subject to regulatory review*. These fee codes will appear on fill trade reports. Note that final fee codes could be different than fee codes received on trade reports due to changes made through the Clearing Editor and/or other post-trade processing.

This list is subject to change between now and October 7, 2019.

Code	Description	Fee
BA	Broker-Dealer, Away Market-Maker, Manual	0.25
BB	Non-Customer, Non-Market-Maker, Non-Firm, Electronic, Penny	0.47
BC	Non-Customer, Non-Market-Maker, Non-Firm, Electronic, Non-Penny	0.75
BD	Non-Customer, Non-Market-Maker, Non-Firm, AIM Agency	0.20
BE	Non-Customer, Non-Market-Maker, Non-Firm, Sector Indexes	0.40
BK	Non-Customer, Non-Market-Maker, Non-Firm, Electronic, Non-AIM, RUT family	0.65
BR	Non-Customer, Non-Market-Maker, Non-Firm, Underlying Symbol List A	0.40
BS	Non-Customer, Non-Market-Maker, Non-Firm, Manual, AIM, RUT family	0.25
CA	Customer, Removes liquidity, ≥100 contracts, ETF	0.18

CB	Customer, Index	0.18
CC	Customer, XSP	0.04
CD	Customer, Removes liquidity, <100 contracts, ETF	0.00
CE	Customer, Adds liquidity, ETF	0.00
CF	Customer, FLEX Response	0.18
CK	Customer, Equity, ETF	0.00
CM	Customer, MXEA	0.25
CN	Customer, MXEF	0.00
CO	Customer, OEX, XEO	0.40
CP	Customer, OEX weekly, XEO weekly, Sector	0.30
CR	Customer, RUT family	0.18
CS	Customer, Premium < \$1.00, SPX	0.35
CT	Customer, Premium ≥ \$1.00, SPX	0.44
CV	Customer, Premium \$0.00 - \$0.10, VIX	0.10
CW	Customer, Premium \$0.11 - \$0.99, VIX	0.25
CX	Customer, Premium ≥ \$1.00, VIX	0.45
EQ	Equity Leg	0.001
FA	Firm, Manual	0.20
FB	Firm, Electronic, Penny	0.43
FC	Firm, Electronic, Non-Penny	0.70
FD	Firm, AIM Agency	0.20
FF	Firm Facilitation	0.00
FH	Firm, Underlying Symbol List A	0.25
FI	Firm, Sector Indexes	0.25
FK	Firm, VIX	0.25
MA	Market-Maker	0.23
MR	Market-Maker, RUT Family excluding RUT, OEX, XEO	0.20
MS	Market-Maker, SPX	0.28
MT	Market-Maker, RUT only	0.30
MV	Market-Maker, Premium \$0.00 - \$0.10, VIX	0.05
MW	Market-Maker, Premium ≥ \$0.11, VIX	0.23
MX	Market-Maker, XSP	0.23
QC	Customer, QCC	0.00
QN	Non-Customer, QCC	0.17
RD	Customer, Routed to AMEX, BOX, BX, EDGX, MERC, MIAAX, PHLX, ≥ 100 contracts, ETF	0.33
RE	Customer, Routed to AMEX, BOX, BX, EDGX, MERC, MIAAX, 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
WA	Professional Customer, Manual	0.12
XA	Broker-Dealer, Non-Member MM, Firm, FLEX Response	0.25
YB	AIM Contra, Index	0.07
YC	AIM Contra, Equity, ETF	0.07

### **Additional Information**

Cboe Options Exchange Access and Capacity Fee schedule changes are detailed in [this notice](#).

For support with SFTP access, contact Cboe OSC (Operations Support Center).

Please contact the Cboe Trade Desk or your Business Development contact for support or with any questions. Additionally, you may refer to the C1 integration website for more details at <https://batsintegration.cboe.com/c1>.

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

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