



Cboe BZX Options Regulatory Circular 18-009

Date: July 27, 2018

To: Options Members

From: Regulatory Division

RE: Option Regulatory Fee Billing Update

Updates BZX Regulatory Circular 18-005

Cboe BZX Options Exchange expects to file with the Securities and Exchange Commission (“SEC”) a rule change to clarify how the Options Regulatory Fee (“ORF”) is assessed and collected. The ORF is assessed by the Exchange to each Options Member for transactions cleared by OCC in the customer range regardless of the exchange on which the transaction occurs.

Subject to SEC review, August billing files will be submitted to OCC with the following changes to the ORF calculation:

- With regard to CMTA transfers, if either the transferor or the transferee is an Options Member, the Exchange will debit the ORF from the transferor and collect the ORF from the transferee. If neither the transferor nor the transferee is an Options Member, the Exchange will not debit the ORF from the transferor or collect the ORF from the transferee.
- The Exchange will assess the ORF to all OCC clearing numbers associated with an Options Member including those that are not registered to be given up on transactions executed on the Exchange. Such transactions are subject to the ORF under the Exchange’s Fee Schedules because the executing Clearing Firm or the Clearing Give-Up was an Options Member.

Process to Identify OCC Clearing Numbers

The Exchange is establishing a new process in order to ensure accurate assessment of the ORF to all OCC clearing numbers associated with an Options Member. Pursuant to BZX Rule 24.1¹, on or before August 15, 2018, Options Members that are Clearing Firms must provide Membership Services with a complete list of its OCC clearing numbers. The Exchange will use the list provided solely for ORF billing purposes. Clearing firms that are Options Members of BZX Options may use the form found at http://cdn.batstrading.com/resources/membership/Registration_of_OCC_Clearing_Numbers_for_ORF.pdf to provide the requested information. All completed forms must be submitted to Membership Services not later than August 15, 2018.

¹ BZX Options Rule 24.1 provides that no Options Member shall refuse to make available to the Exchange such books and records or other information as may be called for under the Rules or as may be requested in connection with an investigation by the Exchange.

Additional Information

Questions related to rules and related requirements may be directed to the Regulatory Interpretations team at reginterps@cboe.com or 312-786-8141. Questions regarding submission of OCC clearing numbers may be directed to Membership Services at registration@cboe.com or 312-786-7449.