

## Regulatory Circular RG15-019

**Date:** February 12, 2015

**To:** Trading Permit Holders  
**From:** Finance and Administration  
**RE:** Extended Trading Hours - Fees Schedule

Chicago Board Options Exchange, Inc. ("CBOE" or the "Exchange") intends to commence trading in the Extended Trading Hours ("ETH") session on Monday, March 2, 2015 for options on the CBOE Volatility Index (VIX) and Monday, March 9, 2015 for options on the S&P 500 Index (SPX/SPXW). Trading hours will be from 2:00 a.m. to 8:15 a.m. Central Time. In general, CBOE will apply the same transaction fee schedule, including applicable programs (such as the CBOE Proprietary Products Sliding Scale), to both Regular Trading Hours ("RTH") and ETH. Only certain items will not be applicable in ETH, or will be different than in RTH. This circular explains those items, subject to Securities and Exchange Commission ("SEC") review. These changes will be effective upon the launch of ETH.

### ETH Transaction Fees

Transaction fees for **VIX** will be identical to those applied in RTH.

Transaction fees for **SPX/SPXW** will also be generally identical to those applied in RTH, with the following exceptions. First, as Hybrid 3.0 will not be in use in ETH, the Hybrid 3.0 Execution Surcharge for SPX options transactions will not be assessed in ETH. Second, Professional/Voluntary Professional orders ("W" origin code) in SPX during ETH will be assessed the same transaction rate and Index License Surcharge as currently applies to Professional/Voluntary Professional SPXW orders during RTH (i.e., \$0.40 and \$0.13, respectively). Effective March 2, 2015 these rates will also apply to Professional/Voluntary Professional SPX orders during RTH. Lastly, the CBOE Automated Improvement Mechanism ("AIM"), which is not currently active in SPX/SPXW during RTH, will be active in SPX/SPXW during ETH, and CBOE will assess standard SPX/SPXW transaction fees applicable to each participant involved with an AIM transaction in SPX/SPXW based on the participant's origin code.

### CBOE Proprietary Products Sliding Scale

VIX and SPX/SPXW volume in ETH will be aggregated with RTH volume in Underlying Symbol List A<sup>1</sup> in the same calendar month for purposes of calculating the proprietary product volume thresholds and the reduced transaction fees per contract.

### Customer Large Trade Discount

Regular customer transaction fees will only be charged up to the first 10,000 contracts for VIX and the first 15,000 contracts for SPX/SPXW. For an order to be eligible to qualify for the discount, the order in its entirety must be executed in either ETH or RTH, but not both.

### Trading Permit and Bandwidth Packet Fees

The Exchange will waive all ETH trading permit and bandwidth packet fees for one of each type of trading permit and one of each type of bandwidth packet, per affiliated Trading Permit Holder ("TPH"), through August 31, 2015.

Following that, CBOE intends to assess the following charges:

- ETH Market-Maker Trading Permits - \$1,000/month

<sup>1</sup>

As of the date of this Circular, Underlying Symbol List A consists of OEX, XEO, SPX (including SPXW), SPXpm, SRO, VIX, VXST, Volatility Indexes and binary options.

- ETH Electronic Access Trading Permits - \$500/month
- ETH Quoting and Order Entry Bandwidth Packet - \$500 /month
- ETH Order Entry Only Bandwidth Packet - \$250/month

#### **Tier Appointment Surcharge**

There is no tier appointment surcharge for Market Maker Trading Permits appointed in either SPX or VIX for ETH.

#### **Trade Processing Services**

Matched Data fees will be identical to those applied in RTH.

#### **Extra CAS Server Fee**

In order to connect to CBOE Command during ETH, a TPH must connect via either a CMI or FIX interface. TPHs that connect via a CMI interface must use CMI CAS servers. The Exchange will provide each TPH in ETH one (1) CAS Server (plus access to a pool of shared backup CAS Servers). Additional CAS Servers can be purchased for a monthly fee of \$10,000 per CAS.

#### **CBOE Command Connectivity Fees**

Network Access Port (1 Gbps) fee is \$750 per month and Network Access Port (10 Gbps) is \$3,500. If a TPH holds an ETH Trading Permit and a RTH Trading Permit, the TPH will not be charged twice. A TPH that holds only an ETH Trading Permit (or only a RTH Trading Permit) would be subject to the fee (i.e. any TPH that accesses the Exchange via Network Access Ports would be subject to the fee).

Additionally, CBOE will assess a CMI/Fix ETH Login fee of \$500/month/login. However, fees for CMI/Fix Login IDs associated with waived ETH trading permits and/or waived ETH bandwidth packets will also be waived through August 31, 2015.

#### **Miscellaneous Fees**

A number of fees apply the same in ETH as in RTH and these fees are primarily firm specific. For example, the fees set forth in the Trading Permit Holder Application Fees table are applicable for the ETH session.

#### **Options Regulatory Fee ("ORF")**

The ORF will be assessed on all options transactions executed or cleared by the TPH that are cleared by The Options Clearing Corporation in the customer range during both ETH and RTH.

#### **CBOE Fees Schedule**

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

#### **Additional Information**

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