

Regulatory Circular RG15-185

Date: December 17, 2015

To: Trading Permit Holders and Trading Permit Holder Organizations

From: Registration Services Department

RE: Trading Permit Sliding Scale Programs

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 2016 form** or the **Floor Broker Election to Participate for 2016 form** ("Election Form"), as applicable. The Election Form must be signed by an authorized signatory for the Trading Permit Holder and emailed to registration@cboe.com or faxed to (312) 786-8140 by December 24, 2015.

Questions can be directed to the Registration Services Department at (312) 786-7449 or registration@cboe.com, or to Jennifer Gillund at (312) 786-7771 or gillundj@cboe.com.

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, SPXpm, RUT, VIX, OEX and XEO. Any Market-Maker Trading Permits used for these six classes, whether in whole or in part, are excluded from this sliding scale and will be assessed at \$5,500 per month. To qualify for the rates set forth in Tiers 1 and 2 in the sliding scale for 2016, 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 Registration Services Department of the Tier of eligible Market-Maker Trading Permits committed to by that Market-Maker Trading Permit Holder. Market-Makers may commit at any time during the year and will be responsible for the minimum number of permits in the commitment tier for the remainder of the year. If a Trading Permit Holder combines, merges, or is acquired during the course of the calendar year, 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 for all of 2016, Tier commitments must be received by December 24, 2015. 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 for the calendar year.

Market-Maker Permit Sliding Scale	From	To	Amount per Month per Permit
	1 permit	10 permits	\$5,500
Tier 1	11 permits	20 permits	\$4,000
Tier 2	21 or more permits		\$2,500

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 2016, 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 eight permits). To do so, a Floor Broker Trading Permit Holder must notify the Registration Services Department of the Tier of Floor Broker Trading Permits committed to by that Floor Broker Trading Permit Holder. Floor Broker Trading Permit Holders may commit at any time during the year and will be responsible for the minimum number of permits in the commitment tier for the remainder of the year. If a Trading Permit Holder combines, merges, or is acquired during the course of the calendar year, 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 for all of 2016, Tier commitments must be received by December 24, 2015. 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 for the calendar year.

Floor Broker Trading Permit Sliding Scale	From	To	Amount per Month Per Permit
	1 permit	1 permit	\$9,000
Tier 1	2 permits	7 permits	\$6,000
Tier 2	8 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 for the remainder of the calendar year. 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 for the remainder of the calendar year.

Trading Permit Holders will be able to commit to a higher tier of the sliding scale(s) for the remainder of a calendar year, 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 Registration 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 will also be continuing the access credit programs for both Market-Makers and Floor Brokers. Eligibility for the Affiliate Access Programs does not require a commitment by the respective Trading Permit Holder.

Market-Maker: For any Market-Maker or its 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 as shown in the table below. This credit will not apply to Market-Maker Trading Permits used for appointments in SPX/SPXW, SPXpm, 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% - 1.50%	10%
3	Above 1.50% - 3.00%	20%
4	Above 3.00%	30%

Floor Broker: Any Floor Broker Trading Permit Holder that executes an average of 15,000 customer open-outcry contracts per day over the course of a calendar month in all underlying symbols except SPX/SPXW, SPXpm, VIX, RUT, OEX, XEO, SRO, VOLATILITY INDEXES, binary options, DJX, XSP, XSPAM and mini-options (collectively “Qualifying Symbols”) will receive a rebate of \$7,500 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 open-outcry contracts per day over the course of a calendar month in the Qualifying Symbols will receive a rebate of \$15,000 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.

CBOE Fees Schedule

For more information, please refer to the CBOE Fees Schedule.

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



EXECUTE SUCCESSSM

**MARKET-MAKER TRADING PERMIT SLIDING SCALE
ELECTION TO PARTICIPATE FOR 2016**
E-MAIL TO registration@cboe.com OR FAX TO 312-786-8140

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 Fees Schedule.

Authorized Signature: _____ Date: _____

Print Name: _____



EXECUTE SUCCESSSM

**FLOOR BROKER TRADING PERMIT SLIDING SCALE
ELECTION TO PARTICIPATE FOR 2016
E-MAIL TO registration@cboe.com OR FAX TO 312-786-8140**

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 Fees Schedule.

Authorized
Signature: _____ Date: _____
Print
Name: _____