

CBOE Regulatory Circular RG16-081 C2 Regulatory Circular RG16-021

Date: April 15, 2016

To: CBOE and C2 Trading Permit Holders

From: Regulatory Division

RE: Application of Option Regulatory Fee to CMTA Transfers

CBOE and C2 are issuing this Regulatory Circular to remind TPHs of how CMTA transfers are handled in the calculation of the CBOE and C2 Option Regulatory Fees ("ORF"). CBOE and C2 use OCC's cleared trade and CMTA transfer data to calculate ORF. In the event a trade is executed and cleared at your firm and a post-trade CMTA transfer instruction to another clearing firm is entered, CBOE and C2 will subtract the ORF billable contracts for your firm and assess it to the firm receiving the CMTA. Post-trade transfers are handled on an aggregate basis each month, and not on a trade-by-trade basis. All post-trade CMTA transfers sent to correct a post-trade CMTA transfer previously sent in error need to be marked as corrections (using the OCC CMTA transfer ORF Indicator) so that the total ORF billable contracts can be reversed. The calculation is as follows:

$$\text{Trade Volume} + \text{CMTA Incoming Transfers} + \text{Corrected Outgoing Transfers} - \text{CMTA Outgoing Transfers} - \text{Corrected Incoming Transfers} = \text{Total} * \text{current ORF rate.}$$

The ORF applies to all options contracts cleared in the customer range at OCC that are executed or cleared by a CBOE or C2 TPH, regardless of the exchange where the contracts were executed. Please note OCC, on behalf of CBOE, will bill the OCC clearing firm that clears the option transaction.

Monthly Reports:

Additionally, CBOE and C2 make available, upon request, the following reports each month:

- Monthly Fee Report
- Volume Daily Summary Report
- Daily Summary CMTA Transfer Report
- Daily Summary Incoming CMTA Transfer Report
- Daily Summary Outgoing CMTA Transfer Report

If a Clearing TPH would like to receive the above referenced reports for its cleared trades please direct your request to the Regulatory Interpretations and Guidance team at the number or email address below.

Additional Information:

Questions concerning this Regulatory Circular can be directed to the Regulatory Interpretations and Guidance line at (312) 786-8141 or RegInterps@cboe.com.