

Regulatory Circular RG16-115

Date: June 28, 2016

To: Trading Permit Holders

From: Competitive Analysis

RE: Designated Extended Trading Hours (ETH) Executing Agent Subsidy Program

This circular replaces Regulatory Circular RG16-067

Effective July 1, 2016, and pending SEC approval, CBOE will commence a program pursuant to which it may designate Trading Permit Holders (TPHs) (with either a Regular Trading Hours or ETH trading permit) with staffed ETH agency brokerage operations as Designated ETH Executing Agents. Under the program, each Designated ETH Executing Agent will be eligible to receive a \$5,000 credit if it executes at least 1,000 contracts on behalf of customers during ETH in a calendar month (an average of 50 contracts per ETH trading session).

To become a Designated ETH executing agent, a TPH must submit a form to the Exchange no later than 3:00 p.m. on the second to last business day of a calendar month to be eligible for the subsidy beginning the following month. The TPH must include on or with the form information demonstrating it maintains an ETH executing agent operation: (1) physically staffed throughout the entire ETH trading session and (2) willing to accept and execute orders on behalf of customers, including customers for which the agent does not hold accounts. The designation will be effective the first business day of the following calendar month (subject to confirmation the TPH's ETH executing agent operation satisfies these two conditions) until the Exchange receives an email from the TPH terminating its designation or the Exchange determines the TPH's ETH executing agent operation no longer satisfies these two conditions. The form will be available in the CBOE Trading Permit Holder Forms Library at <https://www.cboe.org/publish/tphforms/eth-as-registration-form.pdf>.

In order to receive the credit for a calendar month, within two business days following the end of that month, the Designated ETH Executing Agent must submit to the Exchange (the Exchange will issue a Regulatory Circular describing the form and manner of this submission) all necessary information demonstrating its qualification for the credit that month, including documentation and other evidence that the executing agent: (1) executed at least 1,000 agency contracts in ETH during that month and (2) maintained a physically staffed agency brokerage operation throughout each entire ETH trading session that month, which operation accepted and executed orders on behalf of customers regardless of whether they have domiciled accounts with the Designated ETH Executing Agent (i.e., accept and execute all CMTAs valid during ETH).

Additional information:

Please contact Allison Kile at (312) 786-7210 or kilea@cboe.com for additional information about the program.