



Cboe Options Regulatory Circular RG17-163 C2 Options Regulatory Circular RG17-066

Date: November 17, 2017
To: Cboe Options and C2 Options Trading Permit Holders
RE: Options Regulatory Fee Billing - Updated

This circular replaces Cboe Options Regulatory Circular RG-17-162 and C2 Options Regulatory Circular RG17-065 to revise the Cboe Options rule filing number and correct the phone number of the Regulatory Interpretations and Guidance Team. The purpose of this circular is to announce changes to the manner in which the Options Regulatory Fee (“ORF”) is assessed and to inform Trading Permit Holders (“TPH”) of their obligation to provide additional information regarding clearing numbers used at The Options Clearing Corporation (“OCC”).

ORF Billing Changes

On November 16 and 17, 2017, Cboe C2 Exchange, Inc. and Cboe Exchange, Inc. (each the “Exchange”) filed respectively with the Securities and Exchange Commission (“SEC”) a rule change to clarify how the ORF is assessed and collected. The ORF is assessed by the Exchange to each TPH for options transactions cleared by the TPH that are cleared by OCC in the customer range, regardless of the exchange on which the transaction occurs.

Subject to SEC review, on January 2, 2018, when the December billing files are submitted to OCC, the following changes related to the calculation of the ORF will be in effect:

- With regard to CMTA transfers, if either the transferor or the transferee is a TPH, the Exchange will debit the ORF from the transferor and collect the ORF from the transferee. If neither the transferor nor the transferee is a TPH, 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 a TPH, 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 Fees Schedule because the Executing Clearing Firm or the Clearing Give-up was a TPH.

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 a TPH. Pursuant to CBOE Rule 15.1¹, on or before November 28, 2017, TPHs that are Clearing Firms must provide the Registration Services Department (“RSD”) 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 TPHs of Cboe Options may use the form found at <https://www.cboe.org/publish/tphforms/cboe-options-registration-of-occ-clearing-numbers-for-orf.pdf> and those who are TPHs of C2 may use the form found at http://www.c2exchange.com/publish/formsforaccess_c2/c2-options-registration-of-occ-clearing-numbers-

¹ Cboe Options Rule 15.1 (which applies to C2 Options TPHs) provides that no Trading Permit Holder shall refuse to make available to the Exchange such books, 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.



[for-orf.pdf](#) to provide the requested information. All completed forms must be submitted to RSD not later than November 28, 2017.

For additional information, please refer to Cboe Options Rule Filing SR-Cboe-2017-074 (which is available at <http://www.cboe.com/publish/RuleFilingsSEC/SR-CBOE-2017-074.pdf>) and C2 Options Rule Filing SR-C2-2017-031 (which is available at http://www.c2exchange.com/publish/Rulefilings_C2/SR-C2-2017-031.pdf). Questions related to the 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 RSD at registration@cboe.com or (312) 786-7449.