



Quarterly Rebalance of Option Class Tiers and Online Appointment System Reminder

Reference ID: C2019011502

Overview

Pursuant to Cboe Options (“Cboe Options” or the “Exchange”) Rule 8.3(c)(iv), the Exchange rebalances the option class appointment cost tiers every calendar quarter based on national average daily volume (ADV), excluding the “AA” tier, which may result in additions or deletions to each tier’s composition. When a class changes tiers, it is assigned the appointment cost of the new tier. Each Market Maker or Market Maker affiliated firm is able to select their class appointment(s) using these tier costs, and each is required to hold the appropriate number of Trading Permits reflecting the total appointment costs of the Hybrid classes constituting the Market-Maker's appointment. Each Market Maker Trading Permit has an appointment credit of 1.0. A Market Maker may hold any combination of Hybrid classes whose aggregate appointment cost does not exceed the total appointment credits they possess by virtue of the number of Market Maker Trading Permits they hold. Each tier rebalancing takes effect on the first business day of the second calendar month following the end of the calendar quarter (i.e. the rebalancing using 4th quarter 2018 data takes effect the first business day of February 2019).

Market Makers are reminded if a Market Maker or Market Maker affiliated firm holds a combination of appointments whose aggregate revised appointment cost is greater than the net appointment credits they hold, the Market Maker or Market Maker affiliated firm will automatically be assigned as many Market Maker Trading Permits as necessary to ensure that they no longer hold a combination of appointments whose aggregate revised appointment cost is greater than their net appointment credits. Market Makers and/or Market Maker affiliated firms will have until 3:30 pm CT on the last business day prior to the rebalance taking effect (January 31, 2019) to adjust their appointments and/or number of Market Maker Trading Permits as necessary so that their aggregate appointment cost is equal to or less than their net appointment credits. Otherwise, the Exchange will automatically issue to that Market Maker or Market Maker affiliated firm the requisite number of Market Maker Trading Permits to meet this standard, and they will be billed accordingly. The cancellation policy for Market Maker Trading Permits will also continue to apply.

Also, as indicated in [Regulatory Circular RG12-114](#), it is the responsibility of each Trading Permit Holder (TPH) to maintain its Market Maker appointments via the [Market Access Portal](#) (MAP). Generally, only in the event of a system malfunction will Membership Services process appointment changes via an email. However, if at any time you need assistance or have questions on the functionality of the appointments system or are experiencing technical complications that prevent you from accessing the system, please contact Membership Services at 312-786-7449.

Additionally, if you do not have access to MAP, please complete the [Cboe Options MAP Access Form](#) and submit to MembershipServices@cboe.com. Please note that in order to have MAP enabled, users must provide their public Internet facing IP address on the MAP Access Form. To locate an IP address go to <http://www.cboe.com/myip/>.

More Information

Please contact Membership Services with any questions you may have regarding the Cboe 4th Quarter 2018 Appointment Rebalancing. Additionally, you may refer to rule filing SR-CBOE-2013-109 for more details.

We appreciate your business and remain committed to powering your potential with Cboe products, technologies and solutions.

Membership Services

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