



Reminder-CFE Fee Schedule Updates Effective December 1, 2018 Relating to VX Customer Transactions

Reference ID: C2018113002

Overview

As a reminder, Cboe Futures Exchange, LLC (“CFE”) will introduce a revised fee schedule for customer transactions in Cboe Volatility Index (“VX”) futures effective **December 1, 2018**. Additionally, CFE is introducing a Frequent Trader Program that provides customers with the opportunity to receive rebates based upon VX Customer Volume associated with the customer’s Frequent Trader ID (“FTID”). The new rebates will apply for the applicable calendar month in a new tiered rebate program. These changes were described in a [notice](#) that CFE issued in October 2018 and are also described below.

VX Futures Customer Transaction Fee Update

On the effective date, there will be a base transaction fee of \$1.47 per contract side less any applicable rebate(s) for customers enrolled in the new Frequent Trader Program.

Fee Code	Fee	Description
XC	\$1.40 \$1.47	Cboe Volatility Index Futures (VX) - Customer

Frequent Trader Program

Customers that voluntarily enroll in the Frequent Trader Program will receive an FTID. Transaction fees for VX Customer Volume associated with a customer’s FTID are eligible for two rebate schedules based on VX Customer Volume as further described below.

Effective October 29, 2018, CFE customers can enroll in the Frequent Trader Program online at <https://www.cboe.com/FTID/registration.aspx>. Although enrollment can be initiated on or after October 29, 2018, only qualifying transactions executed subsequent to December 1, 2018 are eligible to count toward the rebate schedules under the Frequent Trader Program for those that enroll in the Program prior to its effective date. Enrollment in the Frequent Trader Program takes effect starting with the business day on which the enrollment is completed, if the enrollment is completed by 3:15 p.m. CT on that business day. If the enrollment is completed after 3:15 p.m. CT on a business day or is completed on a non-business day, the enrollment takes effect starting with the next business day.

For customers with an existing FTID for Cboe Options trades, CFE will use their Cboe FTID for CFE transactions, upon completion and submission of a consent form. To receive this consent form contact CFE Business Development at CFEBusinessDevelopment@cboe.com.

A CFE Trading Privilege Holder (“TPH”) acting as agent for a customer may include the customer’s FTID in order, Block Trade, and Exchange of Contract for Related Position (“ECRP”) transaction submissions to the Exchange on behalf of the customer. Each customer enrolled in the Frequent Trader Program is responsible for requesting that any TPH acting as agent for the customer include the customer’s FTID in order, Block Trade, and ECRP transaction submissions to CFE on behalf of the customer. A TPH is not required to include a customer’s FTID in these submissions on behalf of the customer but may choose to do so voluntarily.

CFE will not publish a list or details of the customers that have an FTID. CFE and its affiliates may utilize for business and marketing purposes the information received by CFE relating to customers and their activity on CFE as a result of their participation in the Frequent Trader Program. Any use of this information and the treatment of this information shall be consistent with the [Cboe Privacy Notice and Policy](#).

New BOE Field/FIX Tag to Support Customer Frequent Trader ID

As [previously announced](#), a new FIX Tag (21097) and BOE field (*FrequentTraderID*) have been introduced to support the revised customer transaction fees. Customers can mark their order with the FTID provided by Cboe after enrolling in the program. An FTID must be included correctly in an order, Block Trade, and ECRP transaction submission at the time of the submission to CFE, and no post-trade FTID input additions or adjustments will be permitted.

Rebate Volume Tiers for VX Futures Customer Frequent Trader Program

Two rebate schedules are defined based upon the contribution to the overall VX Customer Volume and average daily VX Customer Volume for the applicable month. VX Customer Volume includes customer transaction volume in VX futures using Customer Type Indicator (CTI) Code 4, including Trade at Settlement transactions in VX futures and VX Block Trades and ECRP transactions.

Only the highest tier level within each rebate schedule for which a customer qualifies during the applicable calendar month for an FTID is applied for that calendar month. If a customer qualifies for one or both types of rebates for a calendar month for an FTID, the amount of the participant’s VX Customer Volume associated with the participant’s FTID during the calendar month is multiplied by the sum of any applicable rebate(s) from the two rebate schedules to arrive at a total customer VX transaction fee rebate for the calendar month for the customer’s VX volume associated with the customer’s FTID. For example, if a customer was in the highest tier level for an FTID under both rebate schedules for the applicable calendar month, the customer’s VX futures transaction fee rate for that calendar month for VX futures transactions associated with that FTID would be \$1.21 per contract side (the base customer transaction fee rate of \$1.47 minus the Rebate Schedule 1 Tier 5 rebate of \$0.18 and minus the Rebate Schedule 2 Tier 3 rebate of \$0.08).

Rebate Schedule 1

Tier	Percentage of VX Customer Volume Associated with Customer's FTID for Applicable Month	Rebate Per Contract Side
Tier 1	≥ 0.75%	(\$0.03)
Tier 2	≥ 1.00%	(\$0.06)
Tier 3	≥ 1.50%	(\$0.11)
Tier 4	≥ 2.50%	(\$0.14)
Tier 5	≥ 5.00%	(\$0.18)

Rebate Schedule 2

Tier	Average Daily VX Customer Volume Associated with Customer FTID for Applicable Month	Rebate Per Contract Side
Tier 1	≥1,000	(\$0.02)
Tier 2	≥2,000	(\$0.04)
Tier 3	≥8,000	(\$0.08)

The Exchange will disburse a customer's VX transaction fee rebate amount for a calendar month to the Clearing Member(s) associated with the Execution Firm ID ("EFID") for the transactions executed with the customer's FTID. If EFIDs for more than one Clearing Member are associated with the applicable transactions, the Exchange will disburse the customer's VX transaction fee rebate for the calendar month in portions to these Clearing Members.

A report will be available to clearing firms detailing Frequent Trader Program rebate achievement.

Incentive Programs Terminated

In connection with the implementation of the Frequent Trader Program, the Day Trade Fee Program will be terminated effective upon the implementation of the VX futures customer fee changes. As a result, the Day Trade column within the Trade Data File accessed via the Customer Web Portal will not be populated with data. However, the column header will still appear.

Additionally, CFE's New European Futures Commission Merchant Incentive Program will also be terminated effective upon the implementation of the VX futures customer fee changes.

Testing Opportunities for CFE Fee Changes

The CFE certification environment is currently configured to accept futures orders with the new fee structure. **CFE TPHs are encouraged to test this new pricing and the submission of FTIDs in certification prior to implementation in the CFE production environment.**

Additional Information

Please contact the CFE Trade Desk or Cboe Billing at billing@cboe.com with any questions. Customers may refer to the following CFE rule certifications regarding the CFE fee changes for further information:

- [CFE-2018-023](#)
- [CFE-2018-024](#)

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

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