



Cboe Options Exchange Access and Capacity Fee Schedule Changes Effective October 1, 2019 and November 1, 2019

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Overview

Effective **October 1, 2019 and November 1, 2019**, *subject to regulatory review*, the Cboe Global Markets Fee Schedule for the Cboe Options Exchange (“C1”) will be amended as described below. As a note, the fees outlined in this notice represent the access and capacity fees that are changing as part of the [C1 migration](#). Access and capacity fees that are not changing as part of the migration are not shown within the notice.

TPH Permits/Appointments

Effective October 1, 2019, the Trading Permit Holder (“TPH”) monthly fees will be modified as follows:

TPH Permits	Current Fees	New Monthly Fees
Market Maker Electronic Access Permit (EAP)	\$5,000	\$5,000
Order Flow Provider Electronic Access Permit	\$1,600	\$3,000
Clearing Firm Permit	N/A	\$2,000
Trading Permit Holder Regulatory Fee	\$90	\$0

Separate market maker permits will be used for floor and electronic market making. In addition, **TPHs will no longer be charged a GTH Permit** and Market Maker EAP holders and Order Flow Providers (with an Exchange registration in an approved capacity) are permitted to trade during the GTH session. Each electronic Market Maker, Order Flow Provider and Clearing TPH will only be required to have one Order Market Maker EAP, one Order Flow Provider EAP, and one Clearing TPH Permit, respectively. For the month of October, monthly invoicing will be based on the quantity of Permits a TPH maintains from October 7 – October 31.

In addition to the Market Maker EAP Fee, each Market Maker EAP holder will also be charged for each market maker appointment based on an Appointment Unit tier schedule, which assigns an appointment weight to each class within a tier. Appointment weights for each assigned class will be summed for each MMID used to trade to obtain the total appointment units. If the sum of appointments is a fractional amount, the total will be rounded up to the next highest whole Appointment Unit. The following lists the progressive monthly fees for Appointment Units:

Market Making EAP Appointments	Quantity	Monthly Fees (per unit)
Appointment Units	1	\$0
	2	\$6,000
	3 to 5	\$4,000
	> 5	\$3,100

The Market Maker EAP holder Appointment Unit weights will be the same as current for most tiers with some adjustments as shown below:

Appointment Unit Tier	Current Weight	New Weight
A	0.100	0.100
B	0.050	0.060
C	0.040	0.040
D	0.020	0.025
E	0.010	0.015
F	0.001	0.001
Tier AA - SPX/SPXW	1.000	1.000
Tier AA - IWM	0.250	0.500
Tier AA - OEX	0.400	0.400
Tier AA - RUT	0.500	0.500
Tier AA - SPY	0.250	0.500
Tier AA - VIX	0.499	0.500
Tier AA - XEO	0.100	0.100

The tier composition and rebalance process will remain unchanged from the current practice wherein option class appointment cost tier rebalances occur every calendar quarter based on national Average Daily Volume (“ADV”).

In addition to Market Maker EAP Appointment Unit fees and Market Maker Floor Permit fees, Market Maker EAP and Market Maker (“MM”) Floor Permit holders that execute volume in RUT, SPX and VIX will be charged separate Tier Appointment fees. The criteria for determining how each Permit is charged a Tier Appointment fee will be changing. Currently, a Tier Appointment fee is assessed to a Market Maker Permit if that Permit holder executes a specified number of contracts during a calendar month in either open-outcry or electronically. Permit holders will now incur separate Tier Appointment fees if they execute a specified number of contracts in open-outcry and electronically such that a TPH can be charged for each MM Floor Permit and Market Maker EAP Permit that meets the respective criteria. Fees for each symbol are not changing and are noted below with each symbol’s criteria.

Symbol	Criteria	Monthly Fees
SPX	MM Floor Permit executes any contracts in SPX/SPXW	\$3,000 per Floor MM Permit
	Market Maker EAP executes any contracts in SPX/SPXW	\$3,000 per TPH
VIX	MM Floor Permit executes at least 1,000 contracts in VIX	\$2,000 Per Floor MM Permit
	Market Maker EAP executes at least 1,000 contracts in VIX	\$2,000 per TPH
RUT	MM Floor Permit executes at least 1,000 contracts in RUT	\$1,000 per Floor MM Permit
	Market Maker EAP executes at least 1,000 contracts in RUT	\$1,000 per TPH

Floor Broker Surcharges in SPX and VIX are unchanged and remain as follows:

Symbol	Criteria	Monthly Fees
SPX	Floor Broker executes at least 20,000 contracts in SPX/SPXW	\$3,000 per TPH
VIX	Floor Broker executes at least 20,000 contracts in VIX	\$2,000 per TPH

Under the Affiliate Volume Plan (“AVP”), if a TPH Affiliate or Appointed Order Flow Provider (“OFP”) of a Market Maker qualifies under VIP, that Market Maker will also qualify for a discount on that Market-Maker’s Trading Permit fees. Effective October 1, 2019, AVP will be amended to provide that Market Maker EAPs will be able to obtain credits on their monthly Bulk Port fees, instead of their Trading Permit fees, based on the monthly VIP Tier achieved by their affiliate or Appointed OFP. Credits on the Bulk Port fees will be applied to the same monthly invoice as the Bulk Port fees. VIP program details remain unchanged regarding the current tiers. However, the new percentage credit and fees credited are noted below.

Market Maker EAP Affiliate Access Credit	VIP Tier	% Credit on Monthly Bulk Port Fees
Credit Tier	1	0%
	2	0%
	3	0%
	4	15%
	5	25%

Market Maker EAPs will additionally be able to obtain credits on their monthly Bulk Port fees based on the previous month’s make rate percentage. Market Maker EAPs are given a Performance Tier based on their make rate percentage which currently provides adjustments to transaction fees. The Performance Tier earned will determine the percentage credit applied to a Market Maker EAP’s monthly Bulk Port fees.

Market Maker EAP Access Credit	Liquidity Provider Sliding Scale Adjustment Performance Tier	% Credit on Monthly Bulk Port Fees
Credit Tier	1	0%
	2	0%
	3	0%
	4	40%
	5	40%

Both the Market Maker EAP Affiliate Access Credit and Market Maker EAP Access Credit can be earned by a TPH. These credits will each apply to the total monthly Bulk Port Fees, including any incremental Bulk Port fees incurred, before any credits/adjustments have been applied such that a Market Maker EAP can earn a credit from 15% to 65%.

As previously stated, Market Makers will be required to obtain a separate Permit for electronic market making and open outcry market making on the floor of the Exchange. In addition, RUT, SPX, and VIX Tier Appointment fees will be charged separately and for each appointment. Floor Market Maker and Floor Broker Permits will be charged based on an individual nominee basis. Existing Market Maker and Floor Broker Permit Tiers, which require advance commitment for a number of permits, will be eliminated and replaced with the progressive monthly fees noted below.

Floor TPH Permits	Permit Qty	Monthly Fee (per permit)
Market Maker Floor Permit	1	\$6,000
	2 to 5	\$4,500
	6 to 10	\$3,500
	> 10	\$2,000
Floor Broker Permit	1	\$7,500
	2 to 3	\$5,700
	4 to 5	\$4,500
	> 5	\$3,200
Trading Permit Swap (any time)		\$100
Inactive Nominee Status (Parking Space)		\$300

TPHs that execute volume via open-outcry are currently eligible to earn a rebate based on executed volume criteria. The measurement criteria to qualify for a rebate will be modified to only include customer ("C" origin code) open-outcry contracts executed per day over the course of a calendar month in all underlying symbols, while the rebate amount will be modified to be a percentage of the TPH's Floor Broker Permit total costs. The criteria and corresponding percentage rebates are noted below.

Floor Broker ADV Discount	ADV	Floor Broker Permit Rebate
Tier 1	0 to 99,999	0%
Tier 2	100,000 to 174,999	15%
Tier 3	> 174,999	25%

C1 Logical Connectivity

Effective October 1, 2019, monthly fees for C1 Logical Ports will be modified as follows:

Service*	Quantity	Monthly Fees (per Port)
BOE Bulk/Quoting Logical Ports	1 to 5	\$1,500
	6 to 30	\$2,500
	> 30	\$3,000
BOE/FIX Logical Ports	1 to 5	\$750
	> 5	\$800
BOE/FIX/Drop Logical Ports		\$750
Purge Ports		\$850
GRP Ports		\$750/primary (A or C Feed)
Multicast PITCH Spin Server Ports		\$750/set of primary (A or C feed)

*Previously CMI and FIX Login ID's on the C1 Fee Schedule

For October service, monthly invoicing will be based on the quantity of Logical Ports used to access the new, rather than legacy, C1 platform. In addition, average daily order quantities used to determine incremental usage will be determined based on the number of trading days between October 7th and October 31st. Beginning in November, incremental usage will be determined based on the number of trading days for the entire month. The current fees for CMI and FIX Login IDs will not be assessed for October.

As stated in the [C1 Integration Update Notice](#), fees will be assessed for all Order Entry and Drop logical ports automatically created in April 2019 for users on the new trading platform, as well as on any ports subsequently requested, unless such ports are removed upon request prior to October 7, 2019. In addition, fees for other ports such as Purge, Spin Server, and GRP will be pro-rated beginning October 7, 2019, as these ports can only be used within the new platform.

As part of the transition, **TPHs will no longer be charged Bandwidth Packet or CAS Server fees**. Instead, firms may be assessed fees for additional logical ports based upon the average daily orders entered by the firm over a given calendar month. TPHs may subscribe to a "Derived Logical Port" report for the new C1 trading platform by contacting the Cboe Trade Desk prior to the migration date. This is a daily report with month to date data which estimates what the derived logical port cost would be if the month ended on the day each report is delivered. Firms may either use the "Logical Ports" tool in the Customer Web Portal or contact the Cboe Trade Desk for the current list of ports configured for their firm.

BOE Bulk Logical Port Usage

Each BOE Bulk Logical Port will incur the logical port fee indicated in the table above when used to enter up to 30,000,000 orders per trading day per logical port as measured on average in a single month. Quote updates are counted as orders when determining the number of BOE Bulk Logical Port orders per trading day. For example, 20 updates within a Quote Update message would count as 20 orders. Each incremental usage of up to 30,000,000 orders per day per BOE Bulk Logical Port will incur an additional logical port fee of \$3,000 per month. Incremental usage will be determined on a monthly basis based on the average orders per day entered in a single month across all subscribed BOE Bulk Logical Ports.

BOE and FIX Logical Port Usage

Each BOE or FIX Logical Port will incur the logical port fee indicated in the table above when used to enter up to 70,000 orders per trading day per logical port as measured on average in a single month. Each incremental usage of up to 70,000 per day per logical port will incur an additional logical port fee of \$800 per month. Incremental usage will be determined on a monthly basis based on the average orders per day entered in a single month across all subscribed BOE and FIX Logical Ports.

Purge Ports

As part of the platform technology migration, on October 7, 2019 C1 will be introducing production Purge Ports to provide TPHs additional risk management and open order control functionality.

Purge Ports will allow TPHs to submit a cancelation for all open orders, or a subset thereof, across multiple sessions under the same EFID. Purge requests will be initiated by sending a single message over an individual Purge Port.

Through the use of Purge Ports, firms will have the ability to effectively manage their exposure across individual desks, strategies, and/or risk profiles. The ability to group orders based on a TPH's specific risk parameters allows subsequent purge requests to be tailored to varying levels of risk tolerance.

C1 Market Data Connectivity

Effective October 1, 2019, the Market Data Connectivity Fee for receipt of C1 Market Data will be modified as follows:

Service*	Current Fees	Effective October 1, 2019
C1 Direct Data Access Fee	\$500/Line/month	\$1,000/Direct Source/month

**Previously a Systems "Port Fee" on the C1 CDS Fee Schedule*

Beginning in October, monthly invoicing for the C1 Direct Data Access Fee will be included on the Cboe Global Markets invoice and will be based on the quantity of subscribed **direct sources** used to receive data from the new C1 platform. C1 Market Data recipients will be charged by the source of the data feed instead of by the number of physical ports used to receive C1 Market Data. For example, if a firm receives C1 Market Data directly over 4 physical ports where Cboe is the source, the recipient will pay \$1,000 per month instead of \$2,000 month. A Direct Source can be an approved Extranet Service Provider or a direct C1 physical port.

C1 Physical Connectivity

As referenced in the [C1 Integration Update Notice](#), market participants may access the new C1 platform on October 7th, 2019 using their existing legacy C1 platform physical ports or new latency equalized C1 physical ports. Additionally, any new C1 latency equalized physical port established on October 7th or later will be prorated for the month. The new C1 platform will allow access to both unicast order entry and multicast market data with a **single physical connection through our latency equalized infrastructure**. Please note that all firms currently accessing the new C1 platform via legacy ports **will be required to terminate their legacy C1 access via legacy physical ports by January 31, 2020**. Firms are encouraged to move to new latency equalized physical connections as soon as possible beginning October 7, 2019.

Finally, all legacy and new C1 physical ports will be included on the Cboe Global Markets invoice beginning with the October billing period.

The fees for 1 Gb and 10 Gb physical ports will be modified as follows beginning November 1, 2019:

Exchange Access	Service	Current Fees	Effective November 1, 2019*
C1 Options	1 Gb Physical Port	\$1,500/C1 Physical Port/month (through October 31, 2019)	\$1,500/Physical Port/month
	10 Gb Physical Port	\$5,000/Physical Port/month (through October 31, 2019)	\$7,000/Physical Port/month

**Firms are encouraged to review their current connectivity to determine the appropriate number of physical connections based on their capacity requirements.*

Additional Information

For more information, please refer to the following technical specifications:

- [C1 Technical Integration FAQ](#)

Please contact the Cboe Trade Desk, Cboe NOC, or your [Director of Sales](#) for any additional information regarding these changes. Additionally, you may refer to the C1 integration website for more details at <http://batsintegration.cboe.com/c1>.

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

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