



August 4, 2020

Submitted via CFTC Portal

Office of the Secretariat
U.S. Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street
Washington, DC 20581

Re: Submission of Cboe SEF, LLC Fee-related Rule (Submission No. 20-06)

Dear Sir, Madam:

Pursuant to Section 5c(c) of the Commodity Exchange Act (the “CEA”) and 40.6(a) of the regulations of the Commodity Futures Trading Commission (the “Commission”), Cboe SEF, LLC (“Cboe SEF”) hereby notifies the Commission that it is publishing a revised fee schedule (the “Fee Schedule”) as a Fee-related Rule, adding a session-based fee and clarifying how the Fee Schedule complies with the CEA and Commission regulation.

A marked copy of the Fee Schedule is attached hereto as Exhibit A, and a clean copy, as amended, attached hereto as Exhibit B. This Fee-related Rule also replaced in its entirety the previous version of the Fee Schedule filed as Exhibit K to Cboe SEF’s Form SEF, and an amendment to Cboe SEF’s Form SEF is accordingly being filed concurrently through the CFTC Portal. The revised Fee Schedule will be effective on August 18, 2020.

Cboe SEF certifies that the Fee Schedule complies with the CEA and the Commission’s regulations. Cboe SEF has reviewed the swap execution facility core principles (“Core Principles”) as set forth in the CEA and has determined that the Fee Schedule complies with the requirements of impartial access in Core Principle 2 and Commission Regulation 37.202 because all fees and any discounts will be applied on an impartial, fair and non-discriminatory manner and the Fee Schedule will be made transparent to all Participants.

Cboe SEF charges Transaction fees on the basis of each Transaction executed on the SEF Trading System and such fees may vary depending on the Tenor and currency pair of each Contract. Additionally, in connection with each Transaction, Cboe SEF systematically identifies each Participant counterparty as either passive or aggressive (removing) and charges fees in respect of each such category of Participant counterparty. Specifically, Cboe SEF identifies as

“passive” the Participant counterparty whose Order resided on the order book and subsequently matched against an inbound Order, while Cboe SEF identifies as “aggressive” or “removing” the Participant counterparty submitting such inbound Order. Cboe SEF has determined to set fees applicable in respect of “passive” Participant counterparties at a lower rate in order to encourage liquidity providers to distribute pricing to Cboe SEF, reflecting the value that liquidity providers contribute to Cboe SEF’s market.

In addition, in compliance with Core Principle 2 and Commission Regulation 37.200, the Fee Schedule does not incentivize manipulative trading or market abuse or impact Cboe SEF’s ability to perform its trade practice and market surveillance obligations under the CEA, and Cboe SEF’s Regulatory Division will continue to monitor trading to seek to prevent manipulative trading and market abuse. The Fee Schedule also complies with the requirements for monitoring and trade processing in Core Principle 4 and Commission Regulation 37.401, and the recordkeeping and reporting requirements in Core Principle 10 and Commission Regulations 37.1000 and 37.1001.

Cboe SEF further certifies that this submission has been concurrently posted on its website at <http://markets.cboe.com/global/fx/sef/resources/>. No substantive opposing views were expressed with respect to this Fee-related Rule.

If you have any questions regarding this submission, please contact me at (646) 856-8814 or lshemie@cboe.com.

Sincerely,

/s/ Lisa Shemie

Lisa A. Shemie
Associate General Counsel
Chief Legal Officer - Cboe SEF, LLC

Attachments

cc: Matthew Jones, Division of Market Oversight, Commodity Futures Trading Commission

EXHIBIT A
DUES, FEES, AND OTHER CHARGES

A. List of all dues, fees, or other charges

The only services for which Cboe SEF, LLC (“Cboe SEF”) will charge its Participants are trade execution services and, for some Participants, connectivity fees to access the SEF Trading System, as follows:

1. **Transaction Fees:** Transaction Fees will be charged on the basis of each Transaction, and may vary depending on the tenor and currency pair of each Contract. Different pricing may be charged depending on whether the Participant has acted in a “passive” or “removing” capacity in connection with each such Transaction. ~~Cboe SEF shall determine, in its sole discretion, whether a Participant is acting in a “passive” or “removing” capacity. In connection with each Transaction, Cboe SEF systematically identifies each Participant counterparty as either passive or aggressive (removing) and charges fees in respect of each such category of Participant counterparty. Specifically, Cboe SEF identifies as “passive” the Participant counterparty whose Order resided on the order book and subsequently matched against an inbound Order, while Cboe SEF identifies as “aggressive” or “removing” the Participant counterparty submitting such inbound Order.~~
2. **Connectivity Fees:** Participants may be charged connectivity fees to access the SEF Trading System. Cboe SEF will charge Connectivity Fees for each physical connection a Participant establishes with the SEF Trading System. Cboe SEF will pass through all data center cross-connect charges, if applicable. Cboe SEF may also charge fees on a per-session basis.

B. Description of the basis for all dues, fees, or other charges

There are two categories of Participants that can execute Transactions on Cboe SEF: A Trading Firm may execute Transactions on behalf of and as agent of a Prime Broker; and a Principal Trading Firm may execute Transactions on its own behalf. Cboe SEF charges Participants that are Trading Firms or Principal Trading Firms a Fee for each Transaction executed on the SEF Trading System. The Fee is based on the Notional Amount in USD of each Transaction and is charged as a dollar amount per USD million of Notional Amount. A minimum Transaction Fee of USD 1.00 per Transaction is also charged in respect of any Order submitted to the SEF Trading System.

Transaction Fees

Currency Pair	Tenor	Passive Fee <small>(in USD, per USD 1mm of Notional Amount)</small>	Removing (Aggressing) Fee <small>(in USD, per USD 1mm of Notional Amount)</small>
All	All	5.00	10.00

Connectivity Fees

Physical Connectivity Pricing:		
Bandwidth	Installation	Monthly Fee
1G and Below	no charge	\$500.00 / connection
10G	no charge	\$1,000.00 / connection
Session Charges:		Monthly Fee
FIX Order Entry		Free
FIX BookFeed (Market Data)		Free
<u>ITCH</u>		<u>Free</u>

EXHIBIT B
DUES, FEES, AND OTHER CHARGES

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