



Cboe Options Exchange Nanos LMM Incentive Program

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LMM Incentive Program Application

Cboe Options (the “Exchange”) will accept applications from interested Trading Permit Holders for the Lead Market-Maker (LMM) role in the Regular Trading Hours (RTH) session for Nanos S&P 500 Index Options for the purposes of the Nanos S&P 500 Index Options LMM Incentive Program (“Program”).

Interested parties must submit application materials to become the Nanos S&P 500 Index Options LMM **no later than 4:00 p.m. ET on Tuesday, January 27, 2026**, to Cboe Membership Services. Additional information regarding Nanos by Cboe may be found [here](#). The application link can be found [here](#). Please contact Cboe Membership Services at membershipservices@cboe.com with any application questions.

LMM Incentive Program Details

The Exchange intends to select one candidate to serve as the Program’s Nanos S&P 500 Index Options LMM from **February 1, 2026 through July 31, 2026** taking into consideration various factors including those set forth in [Cboe Options Rule 3.55](#).

As any Market-Maker, an LMM appointed to the Program has a regulatory obligation to maintain continuous two-sided quotes in 60% of the series with 270 days or less to expiration in its appointed products for at least 90% of the time it is quoting during all trading sessions (to be measured across all its class appointments collectively) and satisfy all other Market-Maker obligations as set forth in Cboe Options Rule 5.51.

The Nanos S&P 500 Index Options LMM Incentive Program within the Cboe Options Fee Schedule provides that a Nanos S&P 500 Index Options LMM that meets or exceeds the Program’s heightened quoting standards in a month will receive a compensation payment for that month in the amount of \$5,000 (subject to change and announced by Exchange Notice/Fee Schedule, *subject to regulatory review*). To receive the monthly payments, 97% of the series must have a qualifying post-opening-rotation quote from the LMM 90% of the time from 9:30 a.m. ET until 4:00 p.m. ET. Cboe Options notes that meeting or exceeding the heightened quoting standards to receive a compensation payment as described above is optional for a Nanos S&P 500 Index Options LMM. A “qualifying” quote is one that is no wider than the amount set forth in the table below, and such quotes will qualify only after the series is open (i.e., pre-opening quotes do not count):

Nanos S&P 500 Index Options Heightened LMM Quoting Standards:

	Premium	Width	Size (1x Nanos)
VIX Prior Close < 30	\$0.00 - \$2.00	\$0.10	500
	\$2.01 - \$5.00	\$0.12	500
	\$5.01 - \$15.00	\$0.20	250
	> \$15.00	\$0.31	100
VIX Prior Close >= 30	Premium	Width	Size (1x Nanos)
	\$0.00 - \$2.00	\$0.16	300
	\$2.01 - \$5.00	\$0.17	300
	\$5.01 - \$15.00	\$0.31	150
	> \$15.00	\$0.38	100

In determining the applicable set of heightened quoting standards for Nanos S&P 500 Index Options each day, Cboe Options will reference the Cboe Volatility Index® (Index symbol: VIX) level as of the close of trading in SPX index options in the previous RTH session.

In calculating whether an LMM meets the heightened quoting standards each month, the Exchange will exclude from the calculation the business day in which the LMM missed the heightened quoting standards in the highest number of series that month.

As pre-open quotes do not count towards the heightened quoting standards, an LMM should be aware that the System will not allow a series to open unless the composite market (i.e., the BBO comprised of appointed Market-Maker quotes in Nanos S&P 500 Index Options) is no wider than the MCW/OCW widths defined in Cboe Options Rule 5.31(a) and presented in the below table, unless there are no orders to trade or limit orders that cross the mid-point of the composite market:

Composite Market Bid Price	Max Composite Width
\$0.00 - \$1.99	0.50
\$2.00 - \$5.00	0.80
\$5.01 - \$10.00	1.00
\$10.01 - \$20.00	2.00
\$20.01 - \$50.00	3.00
\$50.01 - \$100.00	5.00
\$100.01 - \$200.00	8.00
Greater than \$200.00	12.00

Support

Questions may be directed as follows:

- Questions about this topic may be directed to the [Market Structure and Functionality Group](#).
- Operational questions may be directed to [Cboe Operations Support Center](#).
- Regulatory questions may be directed to the [Regulatory Interpretations and Guidance Team](#).