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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 19b-4

File No.* SR - 2016 - * 068
Amendment No. (req. for Amendments *)

Filing by Chicago Board Options Exchange

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * ☑ Amendment * ☐ Withdrawal ☐

Section 19(b)(2) * ☐ Section 19(b)(3)(A) * ☑ Section 19(b)(3)(B) * ☐

Rule

☐ 19b-4(f)(1) ☐ 19b-4(f)(4)
☑ 19b-4(f)(2) ☐ 19b-4(f)(5)
☐ 19b-4(f)(3) ☐ 19b-4(f)(6)

Pilot ☐ Extension of Time Period for Commission Action * ☐ Date Expires *

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010

Section 806(e)(1) * ☐ Section 806(e)(2) * ☐

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934

Section 3C(b)(2) * ☐

Exhibit 2 Sent As Paper Document ☐ Exhibit 3 Sent As Paper Document ☐

Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

Proposal to amend the Frequent Trader Program

Contact Information

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name * Corinne Last Name * Klott
Title * Senior Counsel
E-mail * klott@cboe.com
Telephone * (312) 786-7793 Fax

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

Date 09/12/2016
By Corinne Klott
(Name *)

(Title *)
Attorney

klott@cboe.com, klott@cboe.com

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

Required fields are shown with yellow backgrounds and asterisks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFS website.

Form 19b-4 Information * Add Remove View	The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.
Exhibit 1 - Notice of Proposed Rule Change * Add Remove View	The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)
Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies * Add Remove View	The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)
Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications Add Remove View Exhibit Sent As Paper Document ☐	Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.
Exhibit 3 - Form, Report, or Questionnaire Add Remove View Exhibit Sent As Paper Document ☐	Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.
Exhibit 4 - Marked Copies Add Remove View	The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.
Exhibit 5 - Proposed Rule Text Add Remove View	The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.
Partial Amendment Add Remove View	If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

Item 1. Text of the Proposed Rule Change

(a) Chicago Board Options Exchange, Incorporated (the "Exchange" or "CBOE") proposes to amend its Fees Schedule. The text of the proposed rule change is provided in Exhibit 5.

(b) Not applicable.

(c) Not applicable.

Item 2. Procedures of the Self-Regulatory Organization

(a) The Exchange's President (or designee) pursuant to delegated authority approved the proposed rule change on August 31, 2016.

(b) Please refer questions and comments on the proposed rule change to Joanne Moffic-Silver, Executive Vice President, General Counsel, and Corporate Secretary, (312) 786-7462, or Corinne Klott (312) 786-7793, Chicago Board Options Exchange, Incorporated, 400 South LaSalle, Chicago, Illinois 60605.

Item 3. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

(a) Purpose

The Exchange proposes to amend its Fees Schedule.[1] Specifically, the Exchange proposes to expand its Frequent Trader Program. By way of background, on April 1, 2016, the Exchange adopted a program that offers transaction fee rebates to Customers (origin code "C") that meet certain volume thresholds in CBOE VIX Volatility Index options ("VIX options") and S&P 500 Index options ("SPX"), weekly S&P 500 options ("SPXW") and p.m.-settled SPX Index options ("SPXpm") (collectively referred to as

[1] The Exchange initially filed the proposed change on September 1, 2016 (SR-CBOE-2016-065). On September 13, 2016, the Exchange withdrew that filing and submitted this filing.

"SPX options") provided the Customer registers for the program (the "Frequent Trader Program" or "Program").[2]

To participate in the Frequent Trader Program, Customers register with the Exchange. Once registered, the Customer is provided a unique identification number ("FTID") that can be affixed to each of its orders. The FTID allows the Exchange to identify and aggregate all electronic and manual trades during both the Regular Trading Hours and Extended Trading Hours sessions from that Customer for purposes of determining whether the Customer meets any of the various volume thresholds. The Customer has to provide its FTID to the Trading Permit Holder ("TPH") submitting that Customer's order to the Exchange (executing agent" or "executing TPH") and that executing TPH would have to enter the Customer's FTID on each of that Customer's orders.

The Exchange first proposes to expand the program to allow Professional Customers and Voluntary Professionals ("W" origin code) ("Professionals") to qualify for the Program. The same terms and conditions would apply to Professionals as currently does to Customers. The Exchange believes this proposed change would provide additional incentive to direct Professional order flow to the Exchange, which benefits all market participants through increased liquidity and enhanced price discovery. The Exchange next proposes to provide that, in addition to SPX and VIX options, the Program would apply to Russell 2000 Index ("RUT") options. As with SPX and VIX, the Exchange would aggregate a Customer's (or Professional's) volume (for which their

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2 See Securities Exchange Act Release No. 77554 (April 7, 2016), 81 FR 21928 (April 13, 2016) (SR-CBOE-2016-023).

FTID was entered) on a monthly basis for RUT options. If the Customer or Professional meets the thresholds proposed below, it would receive a rebate on its RUT options transaction fees, also indicated below.[3] Also, as is currently the case with SPX and VIX, although all executed contracts with an FTID will count towards the qualifying volume thresholds, the rebates will be based on the actual amount of fees assessed in accordance with the Fees Schedule (e.g., if a Customer submits a RUT order for 10,000 contracts, pursuant to the current Fees Schedule, that customer would be assessed fees for only the first 5,000 contracts under the Customer Large Trade Discount Program. Therefore, while all 10,000 contracts would count when determining the tier, the Customer's rebate would be based on the amount of the fees assessed for 5,000 contracts, not on the value of the total 10,000 contracts executed). The thresholds and rebates are as follows:

RUT		
Tier	**Monthly RUT Contracts Traded**	**RUT Fee Rebate**
1	4,000-7,9999	5%
2	8,000-14,999	10%
3	15,000 and above	15%

The Exchange notes that the highest achieved threshold rebate rate will apply from the first executed contract (e.g., if a Customer or Professional executes 10,000 RUT contracts in a month, the Tier 2 10% rebate rate would apply to all 10,000 RUT contracts). The Exchange believes the tiered program incentivizes the sending of

[3] The Exchange notes that only transaction fees would be discounted (i.e., no other surcharges, such as the Index License Surcharge Fee, would be rebated or discounted).

Customer and Professional orders to the Exchange while maintaining an incremental incentive for Customers and Professionals to strive for the highest tier level**.** The Exchange also notes that the volume thresholds for SPX options and VIX options are higher than for RUT in light of their more mature and established positions in the industry.

Next, the Exchange proposes to make some clarifying, non-substantive and organizational changes to the Frequent Trader table and Notes section in light of the proposed changes described above. First, the Exchange proposes to add a reference to Professional Customers and Voluntary Professionals in the Notes section and define "customer" as including both Customers ("C" origin) and Professional Customers and Voluntary Professionals ("W" origin). Additionally, the Exchange proposes to eliminate from the definition of "customer" in the Notes section the reference to "non-Professionals", as reference to "customer" will include both Customers and Professionals going forward. The Exchange also proposes to change the last reference to customer in the Notes section to lower case to avoid confusion as to which "customer" is being referenced. The Exchange also proposes to eliminate obsolete language pertaining to the handling of the Frequent Trader Program – Volume Corrections Form for the month of April 2016, as such language is unnecessary to maintain. Additionally, the Exchange proposes to relocate the language of the Notes section to below the Frequent Trader Program table in order to accommodate the new RUT scale. Lastly, the Exchange proposes to amend the Frequent Trader Program – Volume Corrections Form ("Form") to reflect that the Program also applies to RUT.[4]

(b) Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the "Act") and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.[5] Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)[6] requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. The Exchange also believes the proposed rule change is consistent with Section 6(b)(4) of the Act,[7] which provides that Exchange rules may provide for the equitable allocation of reasonable dues, fees, and other charges among its Trading Permit Holders.

The expansion of the Frequent Trader Program to Professionals is reasonable because it will allow Professionals who register for the program an opportunity to receive certain rebates for reaching certain trading volume thresholds. The Exchange notes that it

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4 The updated Frequent Trader Program – Volume Corrections Form, which will replace the current Frequent Trader Program – Volume Corrections Form, is attached as Exhibit 3.

5 15 U.S.C. 78f(b).

6 15 U.S.C. 78f(b)(5).

7 15 U.S.C. 78f(b)(4).

is voluntary for Professionals to choose whether or not to register for the program and whether to request that their unique FTID be appended to their orders. The Program is also voluntary for executing TPHs who have the option of choosing not to participate (i.e., they may decline to append FTID numbers on Professional orders).

The Exchange believes it's equitable and not unfairly discriminatory to expand the program to Professionals because this is designed to attract a greater number of Professional VIX, SPX and RUT orders. This increased volume creates greater trading opportunities that benefit all market participants. Specifically, while only Customer and Professional orders qualify for the proposed rebates under the Frequent Trader Program, an increase in Customer and Professional order flow will bring greater volume and liquidity, which benefit all market participants by providing more trading opportunities and tighter spreads. Moreover, the options industry has a long history of providing preferential pricing to Customers. Like Customers, Professionals are non-TPH, non-broker dealers and have historically also been given preferential pricing. Indeed, the Exchange notes that incentive programs based on Customer and Professional volume already exist elsewhere within the industry.[8] In addition the Exchange believes the proposed program is equitable and not unfairly discriminatory because any Professional may avail itself of this program provided it registers with the Exchange and its executing TPH participates.

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[8] See e.g., NYSE Arca Options Fees and Charges, Customer and Professional Customer Incentive Program and Customer and Professional Customer Posting Credit Tiers in Penny and Non Penny Pilot Issues. See also NASDAQ Options Market ("NOM") Options Pricing, Sec. 2 NASDAQ Options Market—Fees and Rebates, Customer and Professional Penny Pilot Options Rebate to Add Liquidity.

Expanding the Frequent Trader Program to RUT options is reasonable because it will allow Customers and Professionals who register for the program an opportunity to receive certain rebates for reaching certain trading volume thresholds in RUT, as well as VIX and SPX. The Exchange believes adding RUT options to the Program is equitable and not unfairly discriminatory because the Exchange has expended considerable time and resources in maintaining RUT, along with VIX and SPX. The proposed rule change is designed to encourage greater Customer and Professional RUT options trading, which, along with bringing greater RUT options trading opportunities to all market participants, would bring in more fees to the Exchange, and such fees can be used to recoup the Exchange's costs and expenditures from maintaining RUT options. The Exchange believes it's equitable and not unfairly discriminatory to establish lower threshold tiers for RUT than for the SPX product group and VIX because the SPX product group and VIX have reached a more mature and established level than RUT.

The Exchange believes it's reasonable, equitable and not unfairly discriminatory to include all of a Customer's and Professional's RUT executed contracts with an FTID towards the respective qualifying thresholds because the Exchange wishes to support and encourage Customers and Professionals to provide greater order flow in this class, which allows for price improvement and has a number of positive impacts on the market system. The Exchange also believes however, that it's reasonable, equitable and not unfairly discriminatory to base the rebate off the amount of transaction fees that would be assessed pursuant to the Fees Schedule (as opposed to being based off the "theoretical" fee value of all contracts executed) because the Exchange does not want to provide rebates on contracts for which it is not also collecting transaction fees.

The Exchange believes it's reasonable, equitable and not unfairly discriminatory to provide Professionals a choice as to how their payment is delivered. Providing Professionals with the option of requesting to receive their rebates under the Frequent Trader Program as separate direct payments or via a distribution to one or more of its executing Clearing Trading Permit Holders will provide Professionals with a convenient manner in which to receive their rebates, which perfects the mechanism for a free and open market.

Lastly, the Exchange believes the proposed update to the Frequent Trader Program – Volume Corrections Form along with the clarifying, non-substantive and organizational changes maintains clarity in the Form and Fees Schedule, respectively, and avoids potential confusion given the proposed changes to expand the Frequent Trader Program. Alleviation of confusion removes impediments to, and perfects the mechanism for a free and open market and a national market system, and, in general, protects investors and the public interest of market participants.

Item 4. Self-Regulatory Organization's Statement on Burden on Competition

CBOE does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act because, while the rebates apply only to Customers and Professionals, the proposed change is designed to encourage increased Customer and Professional VIX, SPX and RUT options volume, which provides greater trading opportunities for all market participants. Additionally, the Exchange notes that incentive programs based on Customer and Professional volume already exist elsewhere within the industry.[9] The

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[9] Id.

Exchange believes that the proposed rule change will not cause an unnecessary burden on intermarket competition because VIX and SPX products are only traded on CBOE and RUT products are only traded on CBOE and C2 Options Exchange, Incorporated. To the extent that the proposed changes make CBOE a more attractive marketplace for market participants at other exchanges, such market participants are welcome to become CBOE market participants.

Item 5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

The Exchange neither solicited nor received comments on the proposed rule change.

Item 6. Extension of Time Period for Commission Action

Not applicable.

Item 7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2) or Section 19(b)(7)(D)

(a) The proposed rule change is filed for immediate effectiveness pursuant to Section 19(b)(3)(A) of the Act[10] and Rule 19b-4(f)(2)[11] thereunder.

(b) The Exchange designates that the proposed rule change establishes or changes a due, fee, or other charge imposed by the Exchange, which renders the proposed rule change effective upon filing with the Securities and Exchange Commission (the "Commission"). At any time within 60 days of the filing of this proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the

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10 15 U.S.C. 78s(b)(3)(A).

11 17 CFR 240.19b-4(f)(2).

protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

(c) Not applicable.

(d) Not applicable.

Item 8. **Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission**

The proposed rule change is not based on a rule either of another self-regulatory organization or of the Commission.

Item 9. **Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act**

Not applicable.

Item 10. **Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act**

Not applicable.

Item 11. **Exhibits**

Exhibit 1. Completed Notice of Proposed Rule Change for publication in the Federal Register.

Exhibit 3. Frequent Trader Program – Volume Corrections Form.

Exhibit 5. Proposed rule text if not included under Item 1(a).

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34- ; File No. SR-CBOE-2016-068]

[Insert date]

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend the Fees Schedule

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),[1] and Rule 19b-4 thereunder,[2] notice is hereby given that on [insert date], Chicago Board Options Exchange, Incorporated (the "Exchange" or "CBOE") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend its Frequent Trader Program. The text of the proposed rule change is available on the Exchange's website (http://www.cboe.com/AboutCBOE/CBOELegalRegulatoryHome.aspx), at the Exchange's Office of the Secretary, and at the Commission's Public Reference Room.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received

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1 15 U.S.C. 78s(b)(1).

2 17 CFR 240.19b-4.

on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend its Fees Schedule.[3] Specifically, the Exchange proposes to expand its Frequent Trader Program. By way of background, on April 1, 2016, the Exchange adopted a program that offers transaction fee rebates to Customers (origin code "C") that meet certain volume thresholds in CBOE VIX Volatility Index options ("VIX options") and S&P 500 Index options ("SPX"), weekly S&P 500 options ("SPXW") and p.m.-settled SPX Index options ("SPXpm") (collectively referred to as "SPX options") provided the Customer registers for the program (the "Frequent Trader Program" or "Program").[4]

To participate in the Frequent Trader Program, Customers register with the Exchange. Once registered, the Customer is provided a unique identification number ("FTID") that can be affixed to each of its orders. The FTID allows the Exchange to identify and aggregate all electronic and manual trades during both the Regular Trading Hours and Extended Trading Hours sessions from that Customer for purposes of determining whether the Customer meets any of the various volume thresholds. The Customer has to provide its FTID to the Trading Permit Holder ("TPH") submitting that

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3 The Exchange initially filed the proposed change on September 1, 2016 (SR-CBOE-2016-065). On September 13, 2016, the Exchange withdrew that filing and submitted this filing.

4 See Securities Exchange Act Release No. 77554 (April 7, 2016), 81 FR 21928 (April 13, 2016) (SR-CBOE-2016-023).

Customer's order to the Exchange (executing agent" or "executing TPH") and that executing TPH would have to enter the Customer's FTID on each of that Customer's orders.

The Exchange first proposes to expand the program to allow Professional Customers and Voluntary Professionals ("W" origin code) ("Professionals") to qualify for the Program. The same terms and conditions would apply to Professionals as currently does to Customers. The Exchange believes this proposed change would provide additional incentive to direct Professional order flow to the Exchange, which benefits all market participants through increased liquidity and enhanced price discovery. The Exchange next proposes to provide that, in addition to SPX and VIX options, the Program would apply to Russell 2000 Index ("RUT") options. As with SPX and VIX, the Exchange would aggregate a Customer's (or Professional's) volume (for which their FTID was entered) on a monthly basis for RUT options. If the Customer or Professional meets the thresholds proposed below, it would receive a rebate on its RUT options transaction fees, also indicated below.[5] Also, as is currently the case with SPX and VIX, although all executed contracts with an FTID will count towards the qualifying volume thresholds, the rebates will be based on the actual amount of fees assessed in accordance with the Fees Schedule (e.g., if a Customer submits a RUT order for 10,000 contracts, pursuant to the current Fees Schedule, that customer would be assessed fees for only the first 5,000 contracts under the Customer Large Trade Discount Program. Therefore, while all 10,000 contracts would count when determining the tier, the Customer's rebate

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[5] The Exchange notes that only transaction fees would be discounted (i.e., no other surcharges, such as the Index License Surcharge Fee, would be rebated or discounted).

would be based on the amount of the fees assessed for 5,000 contracts, not on the value of the total 10,000 contracts executed). The thresholds and rebates are as follows:

RUT		
Tier	**Monthly RUT Contracts Traded**	**RUT Fee Rebate**
1	4,000-7,9999	5%
2	8,000-14,999	10%
3	15,000 and above	15%

The Exchange notes that the highest achieved threshold rebate rate will apply from the first executed contract (e.g., if a Customer or Professional executes 10,000 RUT contracts in a month, the Tier 2 10% rebate rate would apply to all 10,000 RUT contracts). The Exchange believes the tiered program incentivizes the sending of Customer and Professional orders to the Exchange while maintaining an incremental incentive for Customers and Professionals to strive for the highest tier level. The Exchange also notes that the volume thresholds for SPX options and VIX options are higher than for RUT in light of their more mature and established positions in the industry.

Next, the Exchange proposes to make some clarifying, non-substantive and organizational changes to the Frequent Trader table and Notes section in light of the proposed changes described above. First, the Exchange proposes to add a reference to Professional Customers and Voluntary Professionals in the Notes section and define “customer” as including both Customers (“C” origin) and Professional Customers and Voluntary Professionals (“W” origin). Additionally, the Exchange proposes to eliminate from the definition of "customer" in the Notes section the reference to "non-Professionals", as reference to "customer" will include both Customers and Professionals going forward. The Exchange also proposes to change the last reference to customer in the Notes section to lower case to avoid confusion as to which "customer" is being referenced. The Exchange also proposes to eliminate obsolete language pertaining to the handling of the Frequent Trader Program – Volume Corrections Form for the month of April 2016, as such language is unnecessary to maintain. Additionally, the Exchange proposes to relocate the language of the Notes section to below the Frequent Trader Program table in order to accommodate the new RUT scale. Lastly, the Exchange proposes to amend the Frequent Trader Program – Volume Corrections Form ("Form") to reflect that the Program also applies to RUT.[6]

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the "Act") and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.[7] Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)[8] requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in

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6 The updated Frequent Trader Program – Volume Corrections Form, which will replace the current Frequent Trader Program – Volume Corrections Form, is attached as Exhibit 3.

7 15 U.S.C. 78f(b).

8 15 U.S.C. 78f(b)(5).

securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. The Exchange also believes the proposed rule change is consistent with Section 6(b)(4) of the Act,[9] which provides that Exchange rules may provide for the equitable allocation of reasonable dues, fees, and other charges among its Trading Permit Holders.

The expansion of the Frequent Trader Program to Professionals is reasonable because it will allow Professionals who register for the program an opportunity to receive certain rebates for reaching certain trading volume thresholds. The Exchange notes that it is voluntary for Professionals to choose whether or not to register for the program and whether to request that their unique FTID be appended to their orders. The Program is also voluntary for executing TPHs who have the option of choosing not to participate (i.e., they may decline to append FTID numbers on Professional orders).

The Exchange believes it's equitable and not unfairly discriminatory to expand the program to Professionals because this is designed to attract a greater number of Professional VIX, SPX and RUT orders. This increased volume creates greater trading opportunities that benefit all market participants. Specifically, while only Customer and Professional orders qualify for the proposed rebates under the Frequent Trader Program, an increase in Customer and Professional order flow will bring greater volume and liquidity, which benefit all market participants by providing more trading opportunities and tighter spreads. Moreover, the options industry has a long history of providing preferential pricing to Customers. Like Customers, Professionals are non-TPH, non-broker dealers and have historically also been given preferential pricing. Indeed, the

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[9] 15 U.S.C. 78f(b)(4).

Exchange notes that incentive programs based on Customer and Professional volume already exist elsewhere within the industry.[10] In addition the Exchange believes the proposed program is equitable and not unfairly discriminatory because any Professional may avail itself of this program provided it registers with the Exchange and its executing TPH participates.

Expanding the Frequent Trader Program to RUT options is reasonable because it will allow Customers and Professionals who register for the program an opportunity to receive certain rebates for reaching certain trading volume thresholds in RUT, as well as VIX and SPX. The Exchange believes adding RUT options to the Program is equitable and not unfairly discriminatory because the Exchange has expended considerable time and resources in maintaining RUT, along with VIX and SPX. The proposed rule change is designed to encourage greater Customer and Professional RUT options trading, which, along with bringing greater RUT options trading opportunities to all market participants, would bring in more fees to the Exchange, and such fees can be used to recoup the Exchange's costs and expenditures from maintaining RUT options. The Exchange believes it's equitable and not unfairly discriminatory to establish lower threshold tiers for RUT than for the SPX product group and VIX because the SPX product group and VIX have reached a more mature and established level than RUT.

The Exchange believes it's reasonable, equitable and not unfairly discriminatory to include all of a Customer's and Professional's RUT executed contracts with an FTID

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10 See e.g., NYSE Arca Options Fees and Charges, Customer and Professional Customer Incentive Program and Customer and Professional Customer Posting Credit Tiers in Penny and Non Penny Pilot Issues. See also NASDAQ Options Market ("NOM") Options Pricing, Sec. 2 NASDAQ Options Market—Fees and Rebates, Customer and Professional Penny Pilot Options Rebate to Add Liquidity.

towards the respective qualifying thresholds because the Exchange wishes to support and encourage Customers and Professionals to provide greater order flow in this class, which allows for price improvement and has a number of positive impacts on the market system. The Exchange also believes however, that it's reasonable, equitable and not unfairly discriminatory to base the rebate off the amount of transaction fees that would be assessed pursuant to the Fees Schedule (as opposed to being based off the "theoretical" fee value of all contracts executed) because the Exchange does not want to provide rebates on contracts for which it is not also collecting transaction fees.

The Exchange believes it's reasonable, equitable and not unfairly discriminatory to provide Professionals a choice as to how their payment is delivered. Providing Professionals with the option of requesting to receive their rebates under the Frequent Trader Program as separate direct payments or via a distribution to one or more of its executing Clearing Trading Permit Holders will provide Professionals with a convenient manner in which to receive their rebates, which perfects the mechanism for a free and open market.

Lastly, the Exchange believes the proposed update to the Frequent Trader Program – Volume Corrections Form along with the clarifying, non-substantive and organizational changes maintains clarity in the Form and Fees Schedule, respectively, and avoids potential confusion given the proposed changes to expand the Frequent Trader Program. Alleviation of confusion removes impediments to, and perfects the mechanism for a free and open market and a national market system, and, in general, protects investors and the public interest of market participants.

B. Self-Regulatory Organization's Statement on Burden on Competition

CBOE does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act because, while the rebates apply only to Customers and Professionals, the proposed change is designed to encourage increased Customer and Professional VIX, SPX and RUT options volume, which provides greater trading opportunities for all market participants. Additionally, the Exchange notes that incentive programs based on Customer and Professional volume already exist elsewhere within the industry.[11] The Exchange believes that the proposed rule change will not cause an unnecessary burden on intermarket competition because VIX and SPX products are only traded on CBOE and RUT products are only traded on CBOE and C2 Options Exchange, Incorporated. To the extent that the proposed changes make CBOE a more attractive marketplace for market participants at other exchanges, such market participants are welcome to become CBOE market participants.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

The Exchange neither solicited nor received comments on the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act[12] and paragraph (f) of Rule 19b-4[13] thereunder. At any time within 60 days of

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11 Id.
12 15 U.S.C. 78s(b)(3)(A).
13 17 CFR 240.19b-4(f).

the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form (http://www.sec.gov/rules/sro.shtml); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-CBOE-2016-068 on the subject line.

Paper comments:

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-CBOE-2016-068. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (http://www.sec.gov/rules/sro.shtml). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, D.C. 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-CBOE-2016-068 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[14]

Secretary

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[14] 17 CFR 200.30-3(a)(12).

FREQUENT TRADER PROGRAM - VOLUME CORRECTIONS FORM

This form is intended for TPHs to submit to the Exchange information regarding trades for which volume should have been allocated to one or more FTID's than were recorded on the trade record at the time of execution. The submitting TPH must complete all information below and submit this form to the Exchange within three (3) business days from the date of execution.

	Trade Date	Time	EXEC FIRM/CMTA	QUANTITY	CLASS	UNDERLY	CALL/PUT	BUY/SELL	PREM PRICE	ORDER ID	ORIGINAL FTID (IF ANY)	CORRECTED FTID	REASON FOR SUBMISSION
EXAMPLE	4/6/2010	1115	001/555	100	VIX	VIX	P	B	3.53	8GJKN1	None	ABC123	System Incompatibility
				100	SPXW	SPX	C	S	43.15	4SOJB5	DEF456	MNO789	Post Trade Allocation

CERTIFICATION

I certify that the transaction(s) identified above and by way of this electronic submission represent options trades executed under a permissible Frequent Trader ID pursuant to the Frequent Trader Program.

I understand that this request is subject to examination, review, and verification by CBOE staff and is only valid if filed with CBOE staff within 3 business days of the transaction date.

PROGRAM DESCRIPTION -

Frequent Trader Program will offer incentives for trading activity in certain CBOE proprietary products (i.e., VIX, SPX, SPXW, SPXpm and RUT) and will be available to non-trading permit holder, non-broker/dealer (i.e. customer) users, such as managed funds, hedge funds, etc. based on their individual levels of activity. FT will allow these users to obtain a unique identification number (“FTID”) which can be appended to orders delivered to CBOE during both Regular Trading Hours and Extended Trading Hours for either electronic or manual execution. The volume associated with each FTID will be aggregated to qualify for partial rebates of CBOE customer transaction fees.

To qualify transactions for the partial CBOE customer transaction fee rebate a completed rebate request form with supporting documentation must be submitted electronically to FTForm@cboe.com

Exhibit 5

Changes are indicated by underlining additions and [bracketing] deletions.

Chicago Board Options Exchange, Incorporated

Fees Schedule - September 1 3 , 2016

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Frequent Trader Program

			VIX		SPX / SPXW / SPXpm		RUT	
Origin	**Origin Code**	**Tier**	**Monthly VIX Contracts Traded**	**VIX Fee Rebate**	**Monthly SPX/ SPXW/ SPXPM Contracts Traded**	**SPX/SPXW/ SPXPM Fee Rebate**	**Monthly RUT Contracts Traded**	**RUT Fee Rebate**
Customer / Professional Customer / Voluntary Professional	C W	1	5,000 - 9,999	5%	12,000 - 19,999	5%	4,000 - 7,999	5%
		2	10,000 - 19,999	10%	20,000 - 49,999	10%	8,000 - 14,999	10%
		3	20,000 and above	15%	50,000 and above	15%	15,000 and above	15%

[Notes]

[Customers ("C" origin code) can obtain a unique identification number ("Frequent Trader ID" or "FTID") which can be appended by executing agents to orders submitted to CBOE during both RTH and ETH for both manual and electronic execution. A "customer" for this purpose is a non-Trading Permit Holder, non-broker-dealer non-Professional. A customer may obtain an FTID by registering for the program at the Frequent Trader Program website. Each customer is responsible for requesting that its executing agent(s) appends the customer's unique FTID to the customer's order(s). Executing agents however, will not be required by the Exchange to append FTIDs to orders, but may choose to do so voluntarily. The volume associated with each FTID will be aggregated to qualify for the tiers and fee rebates of customer transaction fees shown in the table. The highest achieved threshold rebate rate will apply from the first executed contract. The rebates will be based on the actual amount of fees assessed in accordance with the Fees Schedule (e.g., if a customer submits a VIX order for 30,000 contracts, that customer would be assessed fees for only the first 15,000 contracts under the Customer Large Trade Discount Program. Therefore, the customer's rebate would be based on the amount of the fees assessed for 15,000 contracts, not on the value of the total 30,000 contracts executed). The Exchange will disperse a customer's rebates pursuant to the customer's instructions, which may include receiving the rebates as a direct payment or via a distribution to one or more of its Clearing Trading Permit Holders. For trades for which volume should have been allocated to one or more FTIDs than were entered on the trade at the time of execution, an executing TPH may submit the Frequent Trader Program – Volume Corrections Form within 3 business days of the transaction(s). For the month of April 2016, the 3 business day deadline to submit the Volume Corrections Form will not be enforced. Executing TPHs may submit Volume Corrections Forms for the entire month of April for all activity and FTIDs, provided the Forms are received by 5:00 PM CST on May 4, 2016. The Frequent Trader Program – Volume Corrections Form may not be used for orders executed prior to the Customer registering for the Frequent Trader Program.]

Notes

Customers ("C" origin code) and Professional Customers and Voluntary Professionals ("W" origin code) (collectively "customers") can obtain a unique identification number ("Frequent Trader ID" or "FTID") which can be appended by executing agents to orders submitted to CBOE during both RTH and ETH for both manual and electronic execution. A "customer" for this purpose is a non-Trading Permit Holder, non-broker-dealer. A customer may obtain an FTID by registering for the program at the Frequent Trader Program website. Each customer is responsible for requesting that its executing agent(s) appends the customer's unique FTID to the customer's order(s). Executing agents however, will not be required by the Exchange to append FTIDs to orders, but may choose to do so voluntarily. The volume associated with each FTID will be aggregated to qualify for the tiers and fee rebates of customer transaction fees shown in the table. The highest achieved threshold rebate rate will apply from the first executed contract. The rebates will be based on the actual amount of fees assessed in accordance with the Fees Schedule (e.g., if a customer submits a VIX order for 30,000 contracts, that customer would be assessed fees for only the first 15,000 contracts under the Customer Large Trade Discount Program. Therefore, the customer's rebate would be based on the amount of the fees assessed for 15,000 contracts, not on the value of the total 30,000 contracts executed). The Exchange will disperse a customer's rebates pursuant to the customer's instructions, which may include receiving the rebates as a direct payment or via a distribution to one or more of its Clearing Trading Permit Holders. For trades for which volume should have been allocated to one or more FTIDs than were entered on the trade at the time of execution, an executing TPH may submit the Frequent Trader Program – Volume Corrections Form within 3 business days of the transaction(s). The Frequent Trader Program – Volume Corrections Form may not be used for orders executed prior to the customer registering for the Frequent Trader Program.