

OMB APPROVAL

OMB Number: 3235-0045
 Estimated average burden
 hours per response.....38

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 29

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

File No.* SR - 2019 - * 083

Amendment No. (req. for Amendments *)

Filing by Cboe Exchange, Inc.

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) *
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
			Rule		
Pilot	Extension of Time Period for Commission Action *	Date Expires *	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>	<input checked="" type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input type="checkbox"/> 19b-4(f)(6)	

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

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

Section 806(e)(1) *

☐

Section 806(e)(2) *

☐

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 *).

The Exchange proposes to amend its financial incentive programs for Global Trading Hours Lead Market-Makers.

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 *	Assistant General Counsel		
E-mail *	cklott@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.

(Title *)

Date 10/02/2019

By Corinne Klott

(Name *)

Assistant General Counsel

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.

cklott@cboe.com

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFT 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) Cboe Exchange, Inc. (the “Exchange” or “Cboe Options”) proposes to amend its financial incentive programs for Global Trading Hours Lead Market-Makers. 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 September 30, 2019.

(b) Please refer questions and comments on the proposed rule change to Patrick Sexton, Executive Vice President, General Counsel, and Corporate Secretary, (312) 786-7467, or Corinne Klott (312) 786-7793, Cboe Exchange, Inc., 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

In 2016, the Exchange’s parent company, Cboe Global Markets, Inc. (formerly named CBOE Holdings, Inc.) (“Cboe Global”), which is also the parent company of Cboe C2 Exchange, Inc. (“C2”), acquired Cboe EDGA Exchange, Inc. (“EDGA”), Cboe EDGX Exchange, Inc. (“EDGX” or “EDGX Options”), Cboe BZX Exchange, Inc. (“BZX” or “BZX Options”), and Cboe BYX Exchange, Inc. (“BYX” and, together with Cboe Options, C2, EDGX, EDGA, and BZX, the “Cboe Affiliated Exchanges”). Cboe Options intends to migrate its trading platform to the same system used by the Cboe Affiliated Exchanges, and also migrate its current billing system to a new billing system, on October 7, 2019 (the

“migration”). As part of the migration to the new billing system, the Exchange is seeking to simplify and harmonize certain programs and billing processes, including its financial incentive programs for Lead Market-Makers (“LMMs”) in VIX and SPX (including SPXW) during Global Trading Hours (“GTH”). Accordingly, the Exchange proposes to amend its GTH LMM financial programs, effective October 1, 2019.

Background

By way of background, pursuant to Footnote 38 of the Fees Schedule, a LMM in SPX will receive a rebate for that month in the amount of a pro-rata share of a compensation pool equal to \$30,000 times the number of LMMs in that class (or pro-rated amount if an appointment begins after the first trading day of the month or ends prior to the last trading day of the month) if the LMM: (1) provides continuous electronic quotes in at least the lesser of 99% of the non-adjusted series or 100% of the non-adjusted series minus one call-put pair in an GTH allocated class (excluding intraday add-on series on the day during which such series are added for trading) during GTH in a given month; (2) enters opening quotes within five minutes of the initiation of an opening rotation in any series that is not open due to the lack of a quote, provided that the LMM will not be required to enter opening quotes in more than the same percentage of series set forth in clause (1) for at least 90% of the trading days during GTH in a given month; and (3) satisfies the following time-weighted average quote widths and bid/ask sizes for each moneyness category: (A) out of the money options (“OTM”), average quote width of \$0.90 or less and average bid/ask size of 15 contracts or greater; (B) at the money options (“ATM”), average quote width of \$3.00 or less and bid/ask size of 10 contracts or greater; and C) in the money options (“ITM”), average quote width of \$10.00 or less and bid/ask size of 5 contracts or greater.

Also pursuant to Footnote 38 of the Fees Schedule, a LMM in VIX options during GTH will receive a rebate for that month in the amount of a pro-rata share of a compensation pool equal to \$20,000 times the number of LMMs in that class (or pro-rated if an appointment begins after the first trading day of the month or ends prior to the last trading day of the month) if the LMM: (1) provides continuous electronic quotes in at least the lesser of 99% of the non-adjusted series or 100% of the non-adjusted series minus one call-put pair in an GTH allocated class (excluding intra-day add-on series on the day during which such series are added for trading) and (2) enters opening quotes within five minutes of the initiation of an opening rotation in any series that is not open due to the lack of a quote, provided that the LMM will not be required to enter opening quotes in more than the same percentage of series set forth in clause (1) for at least 90% of the trading days during GTH in a given month.

GTH LMMs are not currently obligated to satisfy the heightened quoting standards described in the Fees Schedule. Rather, the LMMs are eligible to receive a rebate if they satisfy the heightened standards, which the Exchange believes encourage LMMs to provide liquidity during GTH. Additionally, the Exchange may consider other exceptions to this quoting standard based on demonstrated legal or regulatory requirements or other mitigating circumstances.

Proposed Change

The Exchange now wishes to simplify its billing processes and harmonize its LMM incentive programs. To that end, the Exchange proposes to eliminate Footnote amend the above-mentioned incentive programs to align with the heightened quoting standard format

currently required under the MSCI LMM Program.¹ By way of background, any Market-Maker that is appointed as a LMM in MSCI EAFE Index (“MXEA”) options and/or MSCI Emerging Markets Index (“MXEF”) (“MSCI LMM”) and meets the heightened quoting standard described below, receives \$20,000 per month/per product.² Specifically, the LMM will receive the \$20,000 per month/per class if it provides continuous electronic quotes that meet or exceed the following heightened quoting standards in at least 90% of the MXEA and/or MXEF series 80% of the time in a given month:

Premium	Expiring		Near Term		Mid Term		Long Term	
Level	7 days or less		8 days to 60 days		61 days to 270 days		271 days or Greater	
	Width	Size	Width	Size	Width	Size	Width	Size
\$0-\$5.00	\$3.00	5	\$1.50	20	\$2.50	15	\$5.00	10
\$5.01-\$15.00	\$6.00	3	\$3.00	15	\$5.00	10	\$10.00	7
\$15.01-\$50.00	\$15.00	2	\$7.50	10	\$10.00	7	\$20.00	5
\$50.01-\$100.00	\$25.00	1	\$15.00	7	\$20.00	5	\$30.00	3
\$100.01-\$200.00	\$40.00	1	\$25.00	3	\$35.00	3	\$48.00	2
Greater Than \$200.0	\$60.00	1	\$40.00	1	\$50.00	1	\$72.00	1

The Exchange may also consider other exceptions to this quoting standard based on demonstrated legal or regulatory requirements or other mitigating circumstances. Like GTH LMMs, for purposes of the financial benefit, MSCI LMM(s) are not be obligated to satisfy the heightened quoting standard shown above. Rather, the MSCI LMM(s) only receive the financial benefit if they satisfy the abovementioned heightened quoting standard. If a MSCI LMM does not meet the heightened quoting standard, then it simply will not receive the

¹ In amending the programs, the Exchange proposes to eliminate Footnote 38 in its entirety and replace it with separate tables describing the GTH SPX LMM program and the GTH VIX LMM program.

² MSCI LMMs serve as MSCI LMMs during the RTH session only.

financial benefit for that month. Additionally, MSCI LMM(s), like GTH LMMs must still comply with the continuous quoting obligation and other obligations of Market-Makers and LMMs described in Cboe Options Rules.³

The Exchange first proposes to amend the GTH SPX LMM program. First, the Exchange proposes to separate the available rebate and quoting standard for SPX and SPXW. More specifically, the Exchange proposes to provide that if the LMM meets the heightened quoting standard described below for SPX, the LMM will receive a pro-rata share of a compensation pool for SPX equal to \$15,000 times the number of LMMs appointment in SPX and if the LMM meets the heightened quoting standard described below for SPXW, the LMM will receive an additional pro-rata share of a compensation pool for SPXW equal to \$15,000 times the number of LMMs in that class (for a total of \$30,000 per month for meeting the standard for both SPX and SPXW).⁴ The Exchange next proposes to amend the heightened quoting standard to provide that in order to receive the rebates under the program, the SPX LMM(s) must provide continuous electronic quotes that meet or exceed the following heightened quoting standards in at least 99% of each of SPX and SPXW series 90% of the time in a given month during GTH:

Premium	Expiring	Near Term	Mid Term	Long Term
Level	7 days or less	8 days to 60 days	61 days to 270 days	271 days or Greater

³ See e.g., Cboe Options Rule 8.7 and Rule 8.15.

⁴ The Exchange proposes to continue to include in the Fees Schedule an example of how the compensation pools work. Specifically, the Exchange will provide the following example: if two LMMs are appointed in SPX a compensation pool will be established each month for (i) SPX totaling \$30,000 and (ii) SPXW totaling \$30,000. If each LMM meets the heightened continuous quoting standard in SPX and SPXW during a month, each will receive \$30,000. If only one LMM meets the heightened continuous quoting standard in SPX and SPXW during a month, that LMM would receive \$60,000 and the other one would receive nothing.

	Width	Size	Width	Size	Width	Size	Width	Size
\$0-\$5.00	\$0.50	10	\$0.40	25	\$0.60	15	\$1.00	10
\$5.01-\$15.00	\$2.00	7	\$1.60	18	\$2.40	11	\$4.00	7
\$15.01-\$50.00	\$5.00	5	\$4.00	13	\$6.00	8	\$10.00	5
\$50.01-\$100.00	\$10.00	3	\$8.00	8	\$12.00	5	\$20.00	3
\$100.01-\$200.00	\$20.00	2	\$16.00	5	\$24.00	3	\$40.00	2
Greater Than \$200.00	\$30.00	1	\$24.00	3	\$36.00	1	\$60.00	1

The Exchange also proposes to similarly amend the GTH VIX LMM program. The Exchange first notes that it will maintain the current compensation pool and continue to provide that if a GTH VIX LMM meets the proposed heightened quoting standard described below, it will receive a pro-rata share of a compensation pool for VIX equal to \$20,000 times the number of LMMs in that class (or pro-rated amount if an appointment begins after the first trading day of the month or ends prior to the last trading day of the month) for that month.⁵ In order for an LMM to receive the rebate of \$20,000 per month, the Exchange proposes to provide that the LMM(s) must provide continuous electronic quotes that meet or exceed the following heightened quoting standards in at least 99% of the VIX series 90% of the time in a given month⁶:

⁵ The Exchange proposes to continue to include in the Fees Schedule an example of how the compensation pools work. Specifically, the Exchange will provide the following example: if two LMMs are appointed in VIX a compensation pool will be established each month totaling \$40,000. If each LMM meets the heightened continuous quoting standard in VIX during a month, each will receive \$20,000. If only one LMM meets the heightened continuous quoting standard in VIX during a month, that LMM would receive \$40,000 and the other one would receive nothing.

⁶ For the month of October 2019, the Exchange proposes to apply the heightened quoting standard from October 7 to October 31, in light of the migration of the Exchange's billing system.

Premium	Expiring		Near Term		Mid Term		Long Term	
Level	7 days or less		8 days to 60 days		61 days to 270 days		271 days or Greater	
	Width	Size	Width	Size	Width	Size	Width	Size
\$0-\$3.00	\$0.50	25	\$0.40	50	\$0.50	25	\$1.00	10
\$3.01-\$5.00	\$0.75	15	\$0.60	30	\$0.75	15	\$1.50	7
\$5.01-\$10.00	\$1.00	10	\$0.80	20	\$1.00	10	\$2.00	5
\$10.01-\$30.00	\$3.00	5	\$1.00	10	\$3.00	5	\$5.00	3
\$30.01-\$30.00	\$5.00	3	\$3.00	5	\$5.00	3	\$7.00	2
Greater Than \$100.00	\$10.00	1	\$5.00	1	\$10.00	1	\$12.00	1

The Exchange believes the proposed rebates provided under the GTH LMM programs, as amended, continues to encourage GTH LMMs to provide significant liquidity in SPX, SPXW and VIX options during GTH, just as the standards and rebate under the current MSCI financial incentive program similarly incentivizes MSCI LMMs to provide significant liquidity in MSCI products. Additionally, the Exchange notes that both GTH LMMs and MSCI LMMs may need to undertake expenses to be able to quote at a significantly heightened standard in these classes, such as purchase more logical connectivity based on their increased capacity needs. The Exchange notes that the proposed amendments to the GTH LMM program provides a harmonized approach to financial incentive programs for LMMs. The programs, as proposed, continue to offer financial benefits for meeting heightened quoting standards.

(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.⁷ Specifically,

⁷ 15 U.S.C. 78f(b).

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 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. Additionally, the Exchange believes the proposed rule change is consistent with Section 6(b)(4) of the Act,⁹ which requires that Exchange rules provide for the equitable allocation of reasonable dues, fees, and other charges among its Trading Permit Holders and other persons using its facilities.

First, the Exchange believes the proposed changes to the GTH LMM financial benefit programs are reasonable as the Exchange believes the proposed amendments provide for a simpler and more streamlined heightened quoting standard, is easier to administer on the new billing platform and provides harmonization across LMM financial benefit programs (e.g., conforms with the format of the MSCI LMM program). The Exchange also believes the proposed amended rebates are reasonable as the proposed rebates are similar to the rebates offered currently. Particularly, the Exchange proposes to maintain the current compensation pools and rebate amounts, with the only change being that SPX and SPXW will have separate compensation pools. (i.e., GTH SPX LMMs are currently eligible for a compensation pool equal to \$30,000 times the number of LMMs in

⁸ 15 U.S.C. 78f(b)(5).

⁹ 15 U.S.C. 78f(b)(4).

SPX, and post-migration they will be eligible for two compensation pools, one for SPX at \$15,000 times the number of LMMs in SPX and another for SPXW at \$15,000 times the number of LMMs in SPX). The Exchange also believes the GTH LMM financial incentive programs are reasonable, equitable and not unfairly discriminatory because the Exchange wants to ensure it continues incentivizing the LMMs to provide liquid and active markets in these products during GTH. The Exchange believes it is equitable and not unfairly discriminatory to only offer this financial incentive to the GTH LMMs because it benefits all market participants trading SPX, SPXW and VIX during GTH to encourage the LMMs to satisfy the heightened quoting standards, which may increase liquidity and provide more trading opportunities and tighter spreads. Indeed, the Exchange notes that the GTH LMMs provide a crucial role in providing quotes and the opportunity for market participants to trade during GTH, which can lead to increased volume, thereby providing a robust market. The Exchange also notes that the GTH LMM may have added costs each month that it needs to undertake in order to satisfy that heightened quoting standard (e.g., having to purchase additional logical connectivity).

The Exchange ultimately wishes to ensure a GTH LMM is adequately incentivized to provide liquid and active markets in SPX, SPXW and VIX during GTH to encourage liquidity. The Exchange believes that the program, even as amended, will continue to encourage increased quoting to add liquidity in SPX, SPXW and VIX products, thereby protecting investors and the public interest. Additionally, if a GTH LMM does not satisfy the heightened quoting standards for the duration of the required time, then it simply will not receive the offered per class payment for that month.

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

The Exchange does not believe that the proposed rule changes will impose any burden on competition that are not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe that the proposed rule change will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because it applies uniformly to similarly situated GTH LMMs, which market participants play a crucial role in providing active and liquid markets during GTH. The Exchange does not believe that the proposed rule change will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because SPX, SPXW and VIX options are proprietary products that will only be traded on Cboe Options. To the extent that the proposed changes make Cboe Options a more attractive marketplace for market participants at other exchanges, such market participants are welcome to become Cboe Options 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 Act¹⁰ and Rule 19b-4(f)(2)¹¹ thereunder.

¹⁰ 15 U.S.C. 78s(b)(3)(A).

¹¹ 17 CFR 240.19b-4(f)(2).

(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 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 5. Proposed rule text.

EXHIBIT 1**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34- ; File No. SR-CBOE-2019-083]

[Insert date]

Self-Regulatory Organizations; Cboe Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to Amend its Financial Incentive Programs for Global Trading Hours Lead Market-Makers

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], Cboe Exchange, Inc. (the “Exchange” or “Cboe Options”) 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

Cboe Exchange, Inc. (the “Exchange” or “Cboe Options”) proposes to amend its financial incentive programs for Global Trading Hours Lead Market-Makers. The text of the proposed rule change is provided in Exhibit 5.

The text of the proposed rule change is also 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.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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 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

In 2016, the Exchange's parent company, Cboe Global Markets, Inc. (formerly named CBOE Holdings, Inc.) ("Cboe Global"), which is also the parent company of Cboe C2 Exchange, Inc. ("C2"), acquired Cboe EDGA Exchange, Inc. ("EDGA"), Cboe EDGX Exchange, Inc. ("EDGX" or "EDGX Options"), Cboe BZX Exchange, Inc. ("BZX" or "BZX Options"), and Cboe BYX Exchange, Inc. ("BYX" and, together with Cboe Options, C2, EDGX, EDGA, and BZX, the "Cboe Affiliated Exchanges"). Cboe Options intends to migrate its trading platform to the same system used by the Cboe Affiliated Exchanges, and also migrate its current billing system to a new billing system, on October 7, 2019 (the "migration"). As part of the migration to the new billing system, the Exchange is seeking to simplify and harmonize certain programs and billing processes, including its financial incentive programs for Lead Market-Makers ("LMMs") in VIX and SPX (including SPXW) during Global Trading Hours ("GTH"). Accordingly, the Exchange proposes to amend its GTH LMM financial programs, effective October 1, 2019.

Background

By way of background, pursuant to Footnote 38 of the Fees Schedule, a LMM in SPX will receive a rebate for that month in the amount of a pro-rata share of a compensation pool equal to \$30,000 times the number of LMMs in that class (or pro-rated amount if an appointment begins after the first trading day of the month or ends prior to the last trading day of the month) if the LMM: (1) provides continuous electronic quotes in at least the lesser of 99% of the non-adjusted series or 100% of the non-adjusted series minus one call-put pair in an GTH allocated class (excluding intraday add-on series on the day during which such series are added for trading) during GTH in a given month; (2) enters opening quotes within five minutes of the initiation of an opening rotation in any series that is not open due to the lack of a quote, provided that the LMM will not be required to enter opening quotes in more than the same percentage of series set forth in clause (1) for at least 90% of the trading days during GTH in a given month; and (3) satisfies the following time-weighted average quote widths and bid/ask sizes for each moneyness category: (A) out of the money options ("OTM"), average quote width of \$0.90 or less and average bid/ask size of 15 contracts or greater; (B) at the money options ("ATM"), average quote width of \$3.00 or less and bid/ask size of 10 contracts or greater; and C) in the money options ("ITM"), average quote width of \$10.00 or less and bid/ask size of 5 contracts or greater.

Also pursuant to Footnote 38 of the Fees Schedule, a LMM in VIX options during GTH will receive a rebate for that month in the amount of a pro-rata share of a compensation pool equal to \$20,000 times the number of LMMs in that class (or pro-rated if an appointment begins after the first trading day of the month or ends prior to the last trading day of the month) if the LMM: (1) provides continuous electronic quotes in at least the lesser of 99% of the non-adjusted series or 100% of the non-adjusted series minus one

call-put pair in an GTH allocated class (excluding intra-day add-on series on the day during which such series are added for trading) and (2) enters opening quotes within five minutes of the initiation of an opening rotation in any series that is not open due to the lack of a quote, provided that the LMM will not be required to enter opening quotes in more than the same percentage of series set forth in clause (1) for at least 90% of the trading days during GTH in a given month.

GTH LMMs are not currently obligated to satisfy the heightened quoting standards described in the Fees Schedule. Rather, the LMMs are eligible to receive a rebate if they satisfy the heightened standards, which the Exchange believes encourage LMMs to provide liquidity during GTH. Additionally, the Exchange may consider other exceptions to this quoting standard based on demonstrated legal or regulatory requirements or other mitigating circumstances.

Proposed Change

The Exchange now wishes to simplify its billing processes and harmonize its LMM incentive programs. To that end, the Exchange proposes to eliminate Footnote amend the above-mentioned incentive programs to align with the heightened quoting standard format currently required under the MSCI LMM Program.³ By way of background, any Market-Maker that is appointed as a LMM in MSCI EAFE Index (“MXEA”) options and/or MSCI Emerging Markets Index (“MXEF”) (“MSCI LMM”) and meets the heightened quoting standard described below, receives \$20,000 per month/per product.⁴ Specifically, the

³ In amending the programs, the Exchange proposes to eliminate Footnote 38 in its entirety and replace it with separate tables describing the GTH SPX LMM program and the GTH VIX LMM program.

⁴ MSCI LMMs serve as MSCI LMMs during the RTH session only.

LMM will receive the \$20,000 per month/per class if it provides continuous electronic quotes that meet or exceed the following heightened quoting standards in at least 90% of the MXEA and/or MXEF series 80% of the time in a given month:

Premium	Expiring		Near Term		Mid Term		Long Term	
Level	7 days or less		8 days to 60 days		61 days to 270 days		271 days or Greater	
	Width	Size	Width	Size	Width	Size	Width	Size
\$0-\$5.00	\$3.00	5	\$1.50	20	\$2.50	15	\$5.00	10
\$5.01-\$15.00	\$6.00	3	\$3.00	15	\$5.00	10	\$10.00	7
\$15.01-\$50.00	\$15.00	2	\$7.50	10	\$10.00	7	\$20.00	5
\$50.01-\$100.00	\$25.00	1	\$15.00	7	\$20.00	5	\$30.00	3
\$100.01-\$200.00	\$40.00	1	\$25.00	3	\$35.00	3	\$48.00	2
Greater Than \$200.01	\$60.00	1	\$40.00	1	\$50.00	1	\$72.00	1

The Exchange may also consider other exceptions to this quoting standard based on demonstrated legal or regulatory requirements or other mitigating circumstances. Like GTH LMMs, for purposes of the financial benefit, MSCI LMM(s) are not be obligated to satisfy the heightened quoting standard shown above. Rather, the MSCI LMM(s) only receive the financial benefit if they satisfy the abovementioned heightened quoting standard. If a MSCI LMM does not meet the heightened quoting standard, then it simply will not receive the financial benefit for that month. Additionally, MSCI LMM(s), like GTH LMMs must still comply with the continuous quoting obligation and other obligations of Market-Makers and LMMs described in Cboe Options Rules.⁵

The Exchange first proposes to amend the GTH SPX LMM program. First, the Exchange proposes to separate the available rebate and quoting standard for SPX and SPXW. More specifically, the Exchange proposes to provide that if the LMM meets the heightened

⁵ See e.g., Cboe Options Rule 8.7 and Rule 8.15.

quoting standard described below for SPX, the LMM will receive a pro-rata share of a compensation pool for SPX equal to \$15,000 times the number of LMMs appointment in SPX and if the LMM meets the heightened quoting standard described below for SPXW, the LMM will receive an additional pro-rata share of a compensation pool for SPXW equal to \$15,000 times the number of LMMs in that class (for a total of \$30,000 per month for meeting the standard for both SPX and SPXW).⁶ The Exchange next proposes to amend the heightened quoting standard to provide that in order to receive the rebates under the program, the SPX LMM(s) must provide continuous electronic quotes that meet or exceed the following heightened quoting standards in at least 99% of each of SPX and SPXW series 90% of the time in a given month during GTH:

Premium	Expiring		Near Term		Mid Term		Long Term	
Level	7 days or less		8 days to 60 days		61 days to 270 days		271 days or Greater	
	Width	Size	Width	Size	Width	Size	Width	Size
\$0-\$5.00	\$0.50	10	\$0.40	25	\$0.60	15	\$1.00	10
\$5.01-\$15.00	\$2.00	7	\$1.60	18	\$2.40	11	\$4.00	7
\$15.01-\$50.00	\$5.00	5	\$4.00	13	\$6.00	8	\$10.00	5
\$50.01-\$100.00	\$10.00	3	\$8.00	8	\$12.00	5	\$20.00	3
\$100.01-\$200.00	\$20.00	2	\$16.00	5	\$24.00	3	\$40.00	2
Greater Than \$200.00	\$30.00	1	\$24.00	3	\$36.00	1	\$60.00	1

⁶ The Exchange proposes to continue to include in the Fees Schedule an example of how the compensation pools work. Specifically, the Exchange will provide the following example: if two LMMs are appointed in SPX a compensation pool will be established each month for (i) SPX totaling \$30,000 and (ii) SPXW totaling \$30,000. If each LMM meets the heightened continuous quoting standard in SPX and SPXW during a month, each will receive \$30,000. If only one LMM meets the heightened continuous quoting standard in SPX and SPXW during a month, that LMM would receive \$60,000 and the other one would receive nothing.

The Exchange also proposes to similarly amend the GTH VIX LMM program. The Exchange first notes that it will maintain the current compensation pool and continue to provide that if a GTH VIX LMM meets the proposed heightened quoting standard described below, it will receive a pro-rata share of a compensation pool for VIX equal to \$20,000 times the number of LMMs in that class (or pro-rated amount if an appointment begins after the first trading day of the month or ends prior to the last trading day of the month) for that month.⁷ In order for an LMM to receive the rebate of \$20,000 per month, the Exchange proposes to provide that the LMM(s) must provide continuous electronic quotes that meet or exceed the following heightened quoting standards in at least 99% of the VIX series 90% of the time in a given month⁸:

Premium	Expiring		Near Term		Mid Term		Long Term	
Level	7 days or less		8 days to 60 days		61 days to 270 days		271 days or Greater	
	Width	Size	Width	Size	Width	Size	Width	Size
\$0-\$3.00	\$0.50	25	\$0.40	50	\$0.50	25	\$1.00	10
\$3.01-\$5.00	\$0.75	15	\$0.60	30	\$0.75	15	\$1.50	7
\$5.01-\$10.00	\$1.00	10	\$0.80	20	\$1.00	10	\$2.00	5
\$10.01-\$30.00	\$3.00	5	\$1.00	10	\$3.00	5	\$5.00	3
\$30.01-\$30.00	\$5.00	3	\$3.00	5	\$5.00	3	\$7.00	2
Greater Than \$100.00	\$10.00	1	\$5.00	1	\$10.00	1	\$12.00	1

⁷ The Exchange proposes to continue to include in the Fees Schedule an example of how the compensation pools work. Specifically, the Exchange will provide the following example: if two LMMs are appointed in VIX a compensation pool will be established each month totaling \$40,000. If each LMM meets the heightened continuous quoting standard in VIX during a month, each will receive \$20,000. If only one LMM meets the heightened continuous quoting standard in VIX during a month, that LMM would receive \$40,000 and the other one would receive nothing.

⁸ For the month of October 2019, the Exchange proposes to apply the heightened quoting standard from October 7 to October 31, in light of the migration of the Exchange's billing system.

The Exchange believes the proposed rebates provided under the GTH LMM programs, as amended, continues to encourage GTH LMMs to provide significant liquidity in SPX, SPXW and VIX options during GTH, just as the standards and rebate under the current MSCI financial incentive program similarly incentivizes MSCI LMMs to provide significant liquidity in MSCI products. Additionally, the Exchange notes that both GTH LMMs and MSCI LMMs may need to undertake expenses to be able to quote at a significantly heightened standard in these classes, such as purchase more logical connectivity based on their increased capacity needs. The Exchange notes that the proposed amendments to the GTH LMM program provides a harmonized approach to financial incentive programs for LMMs. The programs, as proposed, continue to offer financial benefits for meeting heightened quoting standards.

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.⁹ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹⁰ 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

⁹ 15 U.S.C. 78f(b).

¹⁰ 15 U.S.C. 78f(b)(5).

system, and, in general, to protect investors and the public interest. Additionally, the Exchange believes the proposed rule change is consistent with Section 6(b)(4) of the Act,¹¹ which requires that Exchange rules provide for the equitable allocation of reasonable dues, fees, and other charges among its Trading Permit Holders and other persons using its facilities.

First, the Exchange believes the proposed changes to the GTH LMM financial benefit programs are reasonable as the Exchange believes the proposed amendments provide for a simpler and more streamlined heightened quoting standard, is easier to administer on the new billing platform and provides harmonization across LMM financial benefit programs (e.g., conforms with the format of the MSCI LMM program). The Exchange also believes the proposed amended rebates are reasonable as the proposed rebates are similar to the rebates offered currently. Particularly, the Exchange proposes to maintain the current compensation pools and rebate amounts, with the only change being that SPX and SPXW will have separate compensation pools. (i.e., GTH SPX LMMs are currently eligible for a compensation pool equal to \$30,000 times the number of LMMs in SPX, and post-migration they will be eligible for two compensation pools, one for SPX at \$15,000 times the number of LMMs in SPX and another for SPXW at \$15,000 times the number of LMMs in SPX). The Exchange also believes the GTH LMM financial incentive programs are reasonable, equitable and not unfairly discriminatory because the Exchange wants to ensure it continues incentivizing the LMMs to provide liquid and active markets in these products during GTH. The Exchange believes it is equitable and not unfairly discriminatory to only offer this financial incentive to the GTH LMMs because it benefits

¹¹ 15 U.S.C. 78f(b)(4).

all market participants trading SPX, SPXW and VIX during GTH to encourage the LMMs to satisfy the heightened quoting standards, which may increase liquidity and provide more trading opportunities and tighter spreads. Indeed, the Exchange notes that the GTH LMMs provide a crucial role in providing quotes and the opportunity for market participants to trade during GTH, which can lead to increased volume, thereby providing a robust market. The Exchange also notes that the GTH LMM may have added costs each month that it needs to undertake in order to satisfy that heightened quoting standard (e.g., having to purchase additional logical connectivity).

The Exchange ultimately wishes to ensure a GTH LMM is adequately incentivized to provide liquid and active markets in SPX, SPXW and VIX during GTH to encourage liquidity. The Exchange believes that the program, even as amended, will continue to encourage increased quoting to add liquidity in SPX, SPXW and VIX products, thereby protecting investors and the public interest. Additionally, if a GTH LMM does not satisfy the heightened quoting standards for the duration of the required time, then it simply will not receive the offered per class payment for that month.

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

The Exchange does not believe that the proposed rule changes will impose any burden on competition that are not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe that the proposed rule change will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because it applies uniformly to similarly situated GTH LMMs, which market participants play a crucial role in providing active and liquid markets during GTH. The Exchange does not believe that the proposed rule change will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes

of the Act because SPX, SPXW and VIX options are proprietary products that will only be traded on Cboe Options. To the extent that the proposed changes make Cboe Options a more attractive marketplace for market participants at other exchanges, such market participants are welcome to become Cboe Options 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 Act¹² and paragraph (f) of Rule 19b-4¹³ thereunder. At any time within 60 days of 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:

¹² 15 U.S.C. 78s(b)(3)(A).

¹³ 17 CFR 240.19b-4(f).

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-2019-083 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-2019-083. 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-2019-083 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

¹⁴ 17 CFR 200.30-3(a)(12).

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

Cboe Exchange, Inc.
Fees Schedule - [September 30] October 1, 2019
 * * * * *

Specified Proprietary Index Options Rate Table - Underlying Symbol List A (34) and Sector Indexes (47)(41) (Also applies to GTH)(37)			Options Transaction Fees (1)(3)(4)(7)(15)(32)(39)						
Origin		Products	Origin Code	Transaction Fee Per Contract by Premium Price			VIX Only SPX (incl SPXw) in GTH Only		
				\$0.00 - \$0.10	\$0.11 - \$0.99	\$1.00+	AIM Agency/Primary (19)	AIM Contra (18)	
Customer (2)		OEX and XEO	C	\$0.40					
		OEX Weeklys, XEO Weeklys and Sector Indexes (47)		\$0.30					
		RUT, RLG, RLV, RUI and UKXM (40)		\$0.18					
		SPX (incl SPXW)		\$0.35			\$0.44	See Rates to Left	
		VIX		\$0.10	\$0.25	\$0.45	See Rates to Left		
Clearing Trading Permit Holder Proprietary (11)(12)(16)(40)		Underlying Symbol List A (34)	F L	\$0.25 - See Cboe Options Clearing Trading Permit Holder Proprietary Product Sliding Scale and VIX Sliding Scale					
		Sector Indexes (47)		\$0.25 - Fees for Facilitations will be waived through December 31, 2019			See Rates to Left		
Cboe Options Market-Maker/ DPM/LMM (10)[(38)](42)(43)		SPX (incl SPXW)(41)	M	See SPX Liquidity Provider Sliding Scale					
		RUT		\$0.30					
		RLG, RLV, RUI, UKXM, OEX and XEO (40)		\$0.20					
		VIX (43)(45)		\$0.05	\$0.23	See Rates to Left			
		Sector Indexes (47)		See Liquidity Provider Sliding Scale and Liquidity Provider Sliding Scale Adjustment Table					
Joint Back-Office (45)		OEX, XEO, SPX (incl SPXW), VIX and Sector Indexes (47)	B N W J	\$0.40					
Broker-Dealer (16) (45)									
Non-Trading Permit Holder Market Maker (16) (45)									
Professional/Voluntary Professional (45)				\$0.25 Manual and AIM/ \$0.65 non-AIM Electronic					
Broker-Dealer (16)									
Non-Trading Permit Holder Market Maker (16)									
Professional/Voluntary Professional/Joint Back-Office									
Surcharge Fee (14) (Also applies to GTH)(37)	Index License (41)	RUT	F J L M B N W	\$0.45					
		SPX (incl SPXW) (41)		\$0.16					
		OEX, RLG, RLV, RUI, UKXM, XEO, VIX and Sector Indexes (47)(40)		(This surcharge is waived, through December 31, 2019, for Sector Indexes (47) and for origin codes F and L for VIX transactions where the VIX Premium is ≤ \$0.10 and the related series has an expiration of seven (7) calendar days or less.)					
CFLEX Surcharge Fee (17)(40)			C F J L M B N W	\$0.10 (capped at \$250 per trade)					
Exotic Surcharge			C	\$0.25					
Execution Surcharge (21)		SPX Only (15)	C F J L B N W	\$0.21					
		SPXW (electronic only) (Also applies to GTH)(37)		\$0.10					
Customer Priority Surcharge (31) (Also applies to GTH)(37)		VIX (Maker non-turner)	C	\$0.00	\$0.20				

* * * * *

GTH VIX LMM Incentive Program										
Origin	Origin Code	Premium Level	Expiring		Near Term		Mid Term		Long Term	
			7 days or less		8 days to 60 days		61 days to 270 days		271 days or Greater	
			Width	Size	Width	Size	Width	Size	Width	Size
LMM	M	\$0.00 - \$3.00	\$0.50	25	\$0.40	50	\$0.50	25	\$1.00	10
		\$3.01 - \$5.00	\$0.75	15	\$0.60	30	\$0.75	15	\$1.50	7
		\$5.01 - \$10.00	\$1.00	10	\$0.80	20	\$1.00	10	\$2.00	5
		\$10.01 - \$30.00	\$3.00	5	\$1.00	10	\$3.00	5	\$5.00	3
		\$30.01 - \$100.00	\$5.00	3	\$3.00	5	\$5.00	3	\$7.00	2
		Greater than \$100.00	\$10.00	1	\$5.00	1	\$10.00	1	\$12.00	1
<p>For VIX if the appointed LMM provides continuous electronic quotes during Global Trading Hours that meet or exceed the above heightened quoting standards in at least 99% of the VIX series 90% of the time in a given month, the LMM will receive a rebate for that month in the amount of a pro-rata share of a compensation pool for VIX equal to \$20,000 times the number of LMMs in that class (or pro-rated amount if an appointment begins after the first trading day of the month or ends prior to the last trading day of the month) for that month. For example, if two LMMs are appointed in VIX, a compensation pool will be established each month for VIX totaling \$40,000. If for example, each LMM meets the heightened continuous quoting standard in VIX during a month, each will receive \$20,000. If only one LMM meets the heightened continuous quoting standard in VIX during a month, that LMM would receive \$40,000 and the other one would receive nothing. The Exchange may consider other exceptions to this quoting standard based on demonstrated legal or regulatory requirements or other mitigating circumstances. For October 2019, the heightened quoting standard will only apply for the period of October 7 - October 31.</p>										

GTH SPX/SPXW LMM Incentive Program										
Origin	Origin Code	Premium Level	Expiring		Near Term		Mid Term		Long Term	
			7 days or less		8 days to 60 days		61 days to 270 days		271 days or Greater	
			Width	Size	Width	Size	Width	Size	Width	Size
LMM	M	\$0.00 - \$5.00	\$0.50	10	\$0.40	25	\$0.60	15	\$1.00	10
		\$5.01 - \$15.00	\$2.00	7	\$1.60	18	\$2.40	11	\$4.00	7
		\$15.01 - \$50.00	\$5.00	5	\$4.00	13	\$6.00	8	\$10.00	5
		\$50.01 - \$100.00	\$10.00	3	\$8.00	8	\$12.00	5	\$20.00	3
		\$100.01 - \$200.00	\$20.00	2	\$16.00	5	\$24.00	3	\$40.00	2
		Greater than \$200.00	\$30.00	1	\$24.00	3	\$36.00	1	\$60.00	1
For SPX and SPXW if the appointed LMM provides continuous electronic quotes during Global Trading Hours that meet or exceed the above heightened quoting standards in at least 99% of each of the SPX and SPXW series 90% of the time in a given month, the LMM will receive a rebate for that month in the amount of a pro-rata share of a compensation pool for SPX and a compensation pool for SPXW equal to \$15,000 times the number of LMMs in that class (or pro-rated amount if an appointment begins after the first trading day of the month or ends prior to the last trading day of the month) for that month. For example, if two LMMs are appointed in SPX a compensation pool will be established each month for (i) SPX totaling \$30,000 and (ii) SPXW totaling \$30,000. If for example, each LMM meets the heightened continuous quoting standard in SPX and SPXW during a month, each will receive \$30,000. If only one LMM meets the heightened continuous quoting standard in SPX and SPXW during a month, that LMM would receive \$60,000 and the other one would receive nothing. The Exchange may consider other exceptions to this quoting standard based on demonstrated legal or regulatory requirements or other mitigating circumstances. For October 2019, the heightened quoting standard will only apply for the period of October 7 - October 31.										

* * * * *

Footnotes (Continued):	
Footnote Number	Description

[38]RESERVED	<p>[For VIX, if an LMM (1) provides continuous electronic quotes in at least the lesser of 99% of the non-adjusted series or 100% of the non-adjusted series minus one call-put pair in an GTH allocated class (excluding intra-day add-on series on the day during which such series are added for trading) during GTH in a given month and (2) enters opening quotes within five minutes of the initiation of an opening rotation in any series that is not open due to the lack of a quote, provided that the LMM will not be required to enter opening quotes in more than the same percentage of series set forth in clause (1) for at least 90% of the trading days during GTH in a given month, the LMM will receive a rebate for that month in the amount of a pro-rata share of a compensation pool equal to \$20,000 times the number of LMMs in that class (or pro-rated amount if an appointment begins after the first trading day of the month or ends prior to the last trading day of the month). For example, if three LMMs are appointed in VIX, a compensation pool will be established each month (assume appointment began at the beginning of the month for purposes of this example) totaling \$60,000. If each LMM meets the heightened continuous quoting standard in VIX during a month, each will receive \$20,000. If two LMMs meet the heightened continuous quoting standard in VIX during a month, those two LMMs would each receive \$30,000 and the third LMM would receive nothing. If only one LMM meets the heightened continuous quoting standard in VIX during a month, that LMM would receive \$60,000 and the other two would receive nothing. For SPX, an LMM will receive a rebate for that month in the amount of a pro-rata share of a compensation pool equal to \$30,000 times the number of LMMs in that class (or pro-rated amount if an appointment begins after the first trading day of the month or ends prior to the last trading day of the month) if the LMM: (1) provides continuous electronic quotes in at least the lesser of 99% of the non-adjusted series or 100% of the non-adjusted series minus one call-put pair in an GTH allocated class (excluding intraday add-on series on the day during which such series are added for trading) during GTH in a given month; (2) enters opening quotes within five minutes of the initiation of an opening rotation in any series that is not open due to the lack of a quote, provided that the LMM will not be required to enter opening quotes in more than the same percentage of series set forth in clause (1) for at least 90% of the trading days during GTH in a given month; and (3) satisfies the following timeweighted average quote widths and bid/ask sizes for each moneyness category: (A) out of the money options ("OTM"), average quote width of \$0.90 or less and average bid/ask size of 15 contracts or greater; (B) at the money options ("ATM"), average quote width of \$3.00 or less and bid/ask size of 10 contracts or greater; and C) in the money options ("ITM"), average quote width of \$10.00 or less and bid/ask size of 5 contracts or greater. In order to determine the timeweighted average quote widths and bid/ask sizes the Exchange will exclude 5% of the total quote time for all SPX series during the month in which the LMM was disseminating its widest quotes and smallest bid/ask sizes. Notwithstanding Rule 1.1(ccc), for purposes of Footnote 38, an LMM is deemed to have provided "continuous electronic quotes" if the LMM provides electronic two-sided quotes for 90% of the time during GTH in a given month. If a technical failure or limitation of a system of the Exchange prevents the LMM from maintaining, or prevents the LMM from communicating to the Exchange, timely and accurate electronic quotes in a class, the duration of such failure shall not be considered in determining whether the LMM has satisfied the 90% quoting standard with respect to that option class. The Exchange may consider other exceptions to this quoting standard based on demonstrated legal or regulatory requirements or other mitigating circumstances.]</p>