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

File No.* SR - 2020 - * 011

Amendment No. (req. for Amendments *)

Filing by Cboe Exchange, Inc.

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

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

Section 806(e)(1) *

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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 *).

The Exchange proposes to amend its Fees Schedule.

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 * ckloott@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 02/06/2020

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.

ckloott@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 *

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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 *

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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 *

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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

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Exhibit Sent As Paper Document

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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

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Exhibit Sent As Paper Document

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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

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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

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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

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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 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 February 3, 2020.

(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

The Exchange proposes to amend its Fees Schedule to (1) amend certain SPX fees, (2) amend the standard transaction fee for Clearing Trading Permit Holder Proprietary orders in Underlying Symbol List A, (3) amend certain VIX fees, (4) adopt fee codes for waived linkage transactions, (5) re-adopt the Clearing Trading Permit Holder position re-assignment rebate, (6) clarify that Network Access Ports will be available for physical connections to PULSe through February 29, 2020, and (7) reduce the rebate under the GTH SPX/SPXW LLM program.¹

¹ The Exchange initially filed the proposed fee changes on February 3, 2020 (SR-CBOE-2020-008). On February 4, 2020, the Exchange withdrew that filing and

SPX Fees*Standard Transaction Fees*

The Exchange first proposes to adopt modest fee increases for SPX and SPXW transactions. With respect to Customer orders (capacity “C”) in SPX and SPXW, the Exchange proposes to increase transaction fees by \$0.01 per contract. More specifically, the Exchange proposes to increase Customer transaction fees for SPX/SPXW orders with a premium of (1) \$0.00-\$0.10 and \$0.11-\$0.99 from \$0.35 per contract to \$0.36 per contract and (2) \$1.00 or more from \$0.44 per contract to \$0.45 per contract. The Exchange next proposes to increase transaction fees for Broker-Dealer (capacity “B”), Joint Back-Office (capacity “J”), Non-Trading Permit Holder (“TPH”) Market-Maker (capacity “N”), and Professional (capacity “U”) orders in SPX and SPXW from \$0.40 per contract to \$0.42² per contract.

SPX Liquidity Provider Sliding Scale

The Exchange proposes to amend its sliding scale for Market-Maker transaction fees in SPX and SPXW (“SPX Liquidity Provider Sliding Scale”). Currently, Market-Makers’ transaction fees in SPX and SPXW are determined by their average monthly contracts in SPX and SPXW. The SPX Liquidity Provider Sliding Scale currently provides for five tiers. The Exchange proposes to increase the transaction fees under Tiers 4 and 5 of the SPX Liquidity Provider Sliding Scale by \$0.01 per contract (and thereby lessen the current discount). More specifically, the Exchange proposes to

submitted SR-CBOE-2020-009. On February 6, 2020, the Exchange withdrew that filing and submitted this filing.

² The Exchange proposes to adopt new fee code BT for Non-Customer, Non-Market-Maker SPX and SPXW orders.

increase the transaction rate under Tier 4³ from \$0.22 per contract to \$0.23 per contract, and the transaction rate under Tier 5⁴ from \$0.20 per contract to \$0.21 per contract. The Exchange believes that notwithstanding the proposed transaction fee increase under Tiers 4 and 5, the SPX Liquidity Provider Sliding Scale will continue to provide incremental incentives for Market-Makers to reach the highest tier level and encourage trading of SPX options, as it continues to provide progressively lower rates if increased volume thresholds in SPX (including SPXW) options are attained during a month.

SPXW Execution Surcharge

The Exchange proposes to amend the Execution Surcharge for SPXW (“SPXW Surcharge”). Currently, the Exchange assesses a SPXW Surcharge of \$0.10 per contract for non-Market-Maker orders in SPXW that are executed electronically (with some exceptions).⁵ The Exchange proposes to increase the Execution Surcharge for SPXW to \$0.13 per contract. The Exchange notes the proposed SPXW Surcharge is still less than the Execution Surcharge assessed for SPX transactions.⁶

SPX Index License Surcharge

The Exchange proposes to increase the Index License Surcharge Fee for SPX (including SPXW) (the “SPX Surcharge”) from \$0.16 per contract to \$0.17 per contract. The Exchange licenses from S&P Dow Jones Indices (“SPDJI”) (the “SPDJI License”) the right to offer an index option product based on the S&P 500 index (that product being SPX and other SPX-based index option products). In order to offset the costs associated

³ The volume threshold for Tier 4 is 9.00% - \$15.00%.

⁴ The volume threshold for Tier 5 is above 15.00%.

⁵ See Cboe Options Fees Schedule, Footnote 21.

⁶ See Cboe Options Fees Schedule, Rate Table – Underlying Symbol List A, Execution Surcharge, SPX only.

with the SPX License, the Exchange assesses the SPX Surcharge. The Exchange therefore proposes to increase the SPX Surcharge from \$0.16 per contract to \$0.17 per contract in order to offset more of the costs associated with the SPX license.

Clearing Trading Permit Holder Proprietary Fees

The Exchange proposes to increase the standard transaction fee for Clearing Trading Permit Holders and for Non-Clearing Trading Permit Holder Affiliates (“Firms”) (capacities “F” and “L”, respectively) in Underlying Symbol List A⁷ (excluding VIX) by \$0.01. Specifically the Exchange proposes to increase the fee from \$0.25 per contract to \$0.26 per contract.

VIX Fees

The Exchange next proposes to amend standard Customer (capacity “C”) transaction fees for VIX transactions. First the Exchange proposes to decrease certain VIX transaction fees, adopt separate fees for simple versus complex VIX transactions, and adopt a new fee for VIX orders with a premium of \$2.00 or more, along with the noted fee codes, as follows:

Current Premium	Proposed Premium	Current	Proposed Simple Fees	Fee Code	Proposed Complex Fees	Fee Code
\$0.00-\$0.10	\$0.00-\$0.10	\$0.10	No change	CV	\$0.05	CZ
\$0.11-\$0.99	\$0.11-\$0.99	\$0.25	No change	CW	\$0.17	DA
Greater than \$1.00	\$1.00-\$1.99	\$0.45	\$0.40	CX	\$0.30	DB
N/A	\$2.00 and above	N/A	\$0.45	CY	\$0.45	DC

⁷ Underlying Symbol List A currently includes OEX, XEO, RUT, RLG, RLV, RUI, UKXM, SPX (includes SPXw) and VIX. See Cboe Options Fees Schedule, Footnote 34.

The Exchange proposes to reduce fees for Customer simple orders with a premium between \$1.00-\$1.99 to incentivize the sending of more orders within this premium range. Similarly, the Exchange proposes to adopt reduced fees for Customer complex VIX orders in order to encourage the sending of additional complex VIX orders. The Exchange did not believe it was necessary to assess different fees for simple and complex VIX orders with a premium of \$2.00 or greater. The Exchange notes that Customer VIX orders with a premium of \$2.00 or greater account for a very small percentage of overall VIX trading.

Linkage Waiver

The Exchange proposes to adopt fee codes for linkage transactions for which away transaction fees are waived. More specifically, the Exchange currently provides that it will not pass through or otherwise charge customer orders (of any size) routed to other exchanges that were originally transmitted to the Exchange from the trading floor through an Exchange-sponsored terminal (e.g. a PULSe Workstation). Currently, this waiver is implemented manually. Beginning February 3, 2020, this waiver will be automated and the Exchange therefore proposes to adopt specific fee codes for such transactions. Particularly, the Exchange proposes to adopt the following fee codes for customer orders (of any size) routed to other exchanges that were originally transmitted to the Exchange from the trading floor through an Exchange-sponsored terminal:

Fee Code		Rate
TD	Routed to AMEX, BOX, BX, EDGX, MERC, MIAX, PHLX, ≥ 100 contracts, ETF	\$0.18 ⁸
TE	Routed to AMEX, BOX, BX, EDGX, MERC, MIAX, PHLX,	\$0.00 ⁹

⁸ The Exchange assesses \$0.18 per contract for customer ETF orders that are ≥ 100 contracts, and customer orders in multi-listed index products. See Cboe Options Fees Schedule, Rate Table – All Products Excluding Underlying Symbol List A.

	< 100 contracts ETF, Equity	
TF	Routed to ARCA, BZX, C2, ISE, GMNI, EMLD, PERL, NOMX, \geq 100 contracts ETF, Penny	\$0.18
TG	Routed to ARCA, BZX, C2, ISE, GMNI, EMLD, PERL, NOMX, \geq 100 contracts ETF, Non-Penny	\$0.18
TH	Routed to ARCA, BZX, C2, ISE, GMNI, EMLD, PERL, NOMX, <100 contracts ETF, Equity, Penny	\$0.00
TI	Routed to ARCA, BZX, C2, ISE, GMNI, EMLD, PERL, NOMX, <100 contracts ETF, Equity, Non-Penny	\$0.00
TS	Routed, Index	\$0.18
TX	Routed, XSP, originating on Exchange-sponsored terminal	\$0.04 ¹⁰

The Exchange notes the proposed fee codes do not represent a substantive change, but are being adopted merely in light of the Exchange's automation of a current waiver.

Clearing Trading Permit Holder Position Re-Assignment Rebate

The Exchange proposes to adopt a rebate for transaction fees assessed to a Clearing Trading Permit Holder who, as a result of a trade adjustment on any business day following the original trade, re-assigns a position established by the initial trade to a different Clearing Trading Permit Holder. In such a circumstance, the Exchange will rebate, for the party for whom the position is being re-assigned, that party's transaction fees from the original transaction as well as the transaction in which the position is re-assigned. In all other circumstances, including corrective transactions, in which a transaction is adjusted on any day after the original trade date, regular Exchange fees will be assessed. The Exchange notes that the proposed rebate is not novel. Indeed, the Exchange's Fees Schedule had included the proposed rebate prior to the migration to a new billing system on October 7,

⁹ The Exchange does not assess a fee for customer ETF orders that are <100 contracts or for customer orders in equity options. See Cboe Options Fees Schedule, Rate Table – All Products Excluding Underlying Symbol List A.

¹⁰ The Exchange assesses a \$0.04 per contract fee for customer XSP orders. See Cboe Options Fees Schedule, Rate Table – All Products Excluding Underlying Symbol List A.

2019, but had eliminated the rebate upon migration¹¹. After further evaluation, the Exchange now wishes to re-adopt the proposed rebate. The Exchange lastly notes that because the Exchange may not always be able to automatically identify these situations, in order to receive a rebate, the Fees Schedule will also provide that a written request in a form and manner prescribed by the Exchange must be submitted within 3 business days of the original transaction.

Network Access Ports

By way of background, a physical port is utilized by a TPH or non-TPH to connect to the Exchange at the data centers where the Exchange's servers are located. Prior to migration of its trading platform to a new system on October 7, 2019, the Exchange utilized Network Access Ports for these physical connections to the Exchange. Upon migration, the TPHs and non-TPHs had the option to alternatively elect to connect to Cboe Options via new latency equalized Physical Ports. The Exchange had noted in its Fees Schedule that through January 31, 2020, Cboe Options market participants would continue to have the ability to connect to Cboe Options' trading system via the current Network Access Ports. The Exchange notes that all Network Access Ports have been decommissioned as of January 31, 2020, with the exception of a couple Network Access Ports used solely to connect to PULSe. The Exchange notes that although the new latency equalized Physical Ports became available on October 7, 2019, the new Physical Ports were not originally able to be utilized to send orders to PULSe. Accordingly, users who wished to route orders to PULSe via the Exchange's physical ports had to maintain and use a legacy Network Access Fee Port and could not use any of the new Physical Ports

¹¹ See Securities and Exchange Act Release No. 87303 (October 15, 2019), 84 FR 56276 (October 21, 2019) (SR-CBOE-2019-080).

for such purpose. The Exchange notes that although the new Physical Ports are now able to be used to connect to PULSe, a couple of TPHs have not yet made the transition from the Exchange's legacy Network Access Ports to the new Physical Ports for purposes of connecting to PULSe. As such, the Exchange proposes to amend the Fees Schedule to clarify that Network Access Ports will be available through February 29, 2020 to connect to PULSe. The fee waiver for Network Access Ports used solely to access PULSe will continue to remain in place.

GTH SPX/SPXW LMM Incentive Program

Pursuant to the Fees Schedule, a LMM in SPX/SPXW 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) if the LMM(s) 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

A GTH LMM in SPX/SPXW is not currently obligated to satisfy the heightened quoting standards described in the table above. Rather, an LMM is eligible to receive the rebate if they satisfy the heightened quoting standards above. The Exchange now proposes to amend the rebate available to LMM(s) under the program. Specifically, the Exchange proposes to eliminate the current compensation pool structure and reduce a straight rebate per product per LMM. More specifically, the Exchange proposes to provide that if a GTH SPX/SPXW LMM meets the proposed heightened quoting standard described above, it will receive \$10,000 per product. As is the case today, SPX/SPXW GTH LMM(s) will still not be obligated to satisfy the amended heightened quoting standard. The Exchange believes the program, as amended, will continue to encourage SPX/SPXW GTH LMM(s) to provide liquidity in SPX/SPXW during GTH. Additionally, the Exchange notes that a SPX/SPXW GTH LMM may need to undertake expenses to be able to quote at a significantly heightened standard in SPX/SPXW, such as purchase more logical connectivity based on its increased capacity needs.

The Exchange also proposes to eliminate (1) the example of how the compensation pool works as it is no longer necessary given the elimination of the compensation pool structure, and (2) obsolete language regarding how the program was billed for October 2019.

(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.¹²

¹² 15 U.S.C. 78f(b).

Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹³ 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, and does not unfairly discriminate between customers, issuers, brokers or dealers. Additionally, the Exchange believes the proposed rule change is consistent with Section 6(b)(4) of the Act,¹⁴ 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.

The Exchange believes the proposed increases to Customer SPX transaction fees are reasonable as the proposed increases are modest and modifies fees that have not been otherwise amended in well over 10 years.¹⁵ The Exchange notes the proposed fees are also in line with customer transaction fees assessed in other index products.¹⁶ Similarly, the Exchange believes the proposed fee increase for Broker-Dealer, Joint Back-Office, Non-TPH Market-Maker and Professional SPX/SPX orders is reasonable as it too is a

¹³ 15 U.S.C. 78f(b)(5).

¹⁴ 15 U.S.C. 78f(b)(4).

¹⁵ See Securities Exchange Act Release No. 55193 (January 30, 2007) 72 FR 5476 (February 6, 2007) (SR-CBOE-2006-111) and Securities Exchange Act Release No. 57191 (January 24, 2008) 73 FR 5611 (January 30, 2008) (SR-CBOE-2007-150).

¹⁶ See e.g., Cboe Options Fees Schedule, Rate Table – Underlying Symbol List A, customer transaction fees.

modest increase to a fee that has not been modified in over ten years.¹⁷ The Exchange notes the proposed fee is still in line with transaction fees assessed in other index products.¹⁸ The Exchange believes the proposed standard transaction fee increases are also equitable and not unfairly discriminatory because the changes apply to similarly situated market participants uniformly.

The Exchange believes the proposed amendment to the discounted Market-Maker fees in Tiers 4 and 5 of the SPX Liquidity Provider Sliding Scale is reasonable because Market-Makers are still eligible to receive discounted fees for satisfying the corresponding criteria (albeit less of a discount). The Exchange believes that notwithstanding the proposed transaction fee increase under Tiers 4 and 5, the SPX Liquidity Provider Sliding Scale will continue to provide incremental incentives for Market-Makers to reach the highest tier level and encourage trading of SPX options, as it continues to provide progressively lower rates if increased volume thresholds in SPX (including SPXW) options are attained during a month. The Exchange also believes the rebates, as amended, are still commensurate with the difficulty level of satisfying the respective tier's criteria. The Exchange believes the proposed fee change is equitable and not unfairly discriminatory as it applies uniformly to all Market-Makers.

The Exchange believes amending the Execution Surcharge for SPXW Surcharge is reasonable as such fee is still lower than the Execution Surcharge for SPX

¹⁷ See Securities Exchange Act Release No. 55193 (January 30, 2007) 72 FR 5476 (February 6, 2007) (SR-CBOE-2006-111).

¹⁸ See e.g., Cboe Options Fees Schedule, Rate Table – Underlying Symbol List A, Broker-Dealer, Joint Back-Office, Non-TPH Market-Maker and Professional fees for RUT.

transactions.¹⁹ Additionally, the proposed increase helps to ensure that there is reasonable cost equivalence between the primary execution channels for SPXW. More specifically, the SPXW Surcharge was adopted to minimize the cost differentials between manual and electronic executions, which is in the interest of the Exchange as it must both maintain robust electronic systems as well as provide for economic opportunity for floor brokers to continue to conduct business, as they serve an important function in achieving price discovery and customer executions.²⁰ The Exchange believes the proposed change is also equitable and not unfairly discriminatory as it applies uniformly to all similarly situated market participants.

Increasing the SPX Surcharge is reasonable because the Exchange still pays more for the SPX license than the amount of the proposed SPX Surcharge (meaning that the Exchange is, and will still be, subsidizing the costs associated with the SPX license). This increase is equitable and not unfairly discriminatory because the increased amount will be assessed to all market participants to whom the SPX Surcharge applies.

The Exchange believes the proposed increase to the standard Firm transaction fee in Underlying Symbol List A (excluding VIX) orders is reasonable as the proposed increase is modest and modifies a fee that has not been amended in over 9 years.²¹ The Exchange notes the proposed fees are also in line with customer transaction fees assessed

¹⁹ See Cboe Options Fees Schedule, Rate Table, Underlying Symbol List A, which provides for a \$0.21 per contract Execution Surcharge for SPX orders.

²⁰ See Securities Exchange Act Release No. 71295 (January 14, 2014) 79 FR 3443 (January 21, 2014) (SR-CBOE-2013-129).

²¹ See Securities Exchange Act Release No. 63701 (January 11, 2011) 76 FR 2934 (January 18, 2011) (SR-CBOE-2010-116).

in other index products.²² The Exchange also notes that Firms continue to have an opportunity to earn a discounted fee via the Clearing Trading Permit Holder Proprietary Products Sliding Scale. The Exchange believes the proposed fee increase is also equitable and not unfairly discriminatory because the change applies to Firms uniformly.

The Exchange next believes its proposed change to reduce certain VIX transaction fees is reasonable as Customers will be paying lower fees for such transactions. The Exchange notes the proposed changes to VIX Customer transaction fees are designed to encourage the sending of additional VIX orders, including complex orders. The Exchange notes the proposed change is also in line with other fee programs that are designed to incentivize the sending of complex orders to the Exchange. For example, the Exchange provides higher rebates under the Volume Incentive Program for complex orders as compared to simple orders.²³ The Exchange believes the proposed fee changes are also equitable and not unfairly discriminatory because they apply to all Customers uniformly.

The Exchange believes adopting fee codes for waived linkage transactions is reasonable and equitable because the Exchange believes such fee codes provide further clarity in the Fees Schedule and the fee codes do not amend the current linkage fees or fee waiver. Rather, the Exchange is merely adopting fee codes in light of the transition from manual processing of the current linkage waiver to automated processing. Additionally, the Exchange believes the proposed fee codes allow TPHs to more easily validate the bills they receive from the Exchange, thus alleviating potential confusion.

²² See e.g., Cboe Options Fees Schedule, Rate Table – Underlying Symbol List A, customer transaction fees.

²³ See Cboe Options Fees Schedule, Volume Incentive Program.

The Exchange believes it is reasonable to offer a rebate when a Clearing Trading Permit Holder re-assigns a position, as the Clearing Trading Permit Holder may not have elected to take that position in the first place (and may just have been erroneously listed as a party to the transaction). The Exchange believes that this change is equitable and not unfairly discriminatory for the same reason; it is equitable to rebate fees to a Clearing Trading Permit Holder that was assessed fees for taking a position from a transaction to which that Clearing Trading Permit Holder was not a party. Otherwise, the Exchange believes it is equitable for a party that made an error reporting a transaction to be responsible for paying the fees associated with making that error. Further, the proposed changes will apply equally to all market participants. The Exchange also notes that the proposed rebate is not novel. Indeed, the Exchange's Fees Schedule had included the proposed rebate prior to the migration to a new billing system on October 7, 2019, but had eliminated the rebate upon migration²⁴. After further evaluation, the Exchange now wishes to re-adopt the proposed rebate.

The Exchange believes the proposal to allow TPHs to continue to utilize legacy Network Access Ports through February 29, 2020 is reasonable as a few TPHs have not yet been able to transition from the Network Access Ports to the new Physical Ports with respect to their connection to PULSe. Any remaining Network Access ports would be configured to only allow routing of orders to PULSe. The Exchange believes updating the notes section for Network Access Ports provides further clarity in the rules as to the availability of such ports. The Exchange believes its proposal to eliminate obsolete language in the notes section of the Network Access Ports also alleviates potential confusion.

²⁴ See Securities and Exchange Act Release No. 87303 (October 15, 2019), 84 FR 56276 (October 21, 2019) (SR-CBOE-2019-080).

The Exchange believes the amount of the amended rebate for SPX/SPXW GTH LMMs (\$10,000 per product) is reasonable because it continues to provide a rebate (albeit a reduced rebate) for meeting the heightened quoting standard and takes into consideration additional costs an LMM may incur. Particularly, the Exchange believes the proposed amount is such that it will still incentivize an appointed LMM to meet the GTH quoting standards for SPX and SPXW, thereby protecting investors and the public interest. Additionally, if an LMM does not satisfy the heightened quoting standard, then it will simply not receive the rebate. The Exchange believes it is equitable and not unfairly discriminatory to only offer the rebate to SPX/SPXW LMMs because 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).

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

The Exchange does not believe that the proposed rule change will impose any burden on intramarket or intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. First, the Exchange believes the proposed rule change does impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. Particularly, the proposed changes as described above apply to all similarly situated TPHs in a uniform manner. Additionally, while different fees and rebates are assessed to different market participants in some circumstances, these different market participants have different obligations and different circumstances. For example, Market-Makers, including Lead Market-Makers

play a crucial role in providing active and liquid markets in their appointed products, thereby providing a robust market which benefits all market participants. Such Market-Makers also have obligations and regulatory requirements that other participants do not have. There is also a history in the options markets of providing preferential treatment to customers, as they often do not have as sophisticated trading operations and systems as other market participants, which often makes other market participants prefer to trade with customers. Further, the Exchange fees and rebates, both current and those proposed to be changed, are intended to encourage market participants to bring increased volume to the Exchange (which benefits all market participants), while still covering Exchange costs (including those associated with the upgrading and maintenance of Exchange systems).

Next, the Exchange believes the proposed rule change does not impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. First, changes relating to the Exchange's proprietary products only affect trading on Cboe Options, as such products are exclusively listed on Cboe Options. Next, the Exchange notes it operates in a highly competitive market. In addition to Cboe Options, TPHs have numerous alternative venues that they may participate on and direct their order flow, including 15 options exchanges, as well as off-exchange venues. Based on publicly available information, no single options exchange has more than 22% of the market share of executed volume of options trades.²⁵ Therefore, no exchange possesses significant pricing power in the execution of option order flow. Moreover, the Commission has repeatedly expressed its preference for competition over

²⁵ See Cboe Global Markets, U.S. Options Market Volume Summary by Month (February 3, 2020) available at http://markets.cboe.com/us/options/market_share/.

regulatory intervention in determining prices, products, and services in the securities markets. Specifically, in Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and, also, recognized that current regulation of the market system “has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies.”²⁶ The fact that this market is competitive has also long been recognized by the courts. In *NetCoalition v. Securities and Exchange Commission*, the D.C. Circuit stated as follows: “[n]o one disputes that competition for order flow is ‘fierce.’ ... As the SEC explained, ‘[i]n the U.S. national market system, buyers and sellers of securities, and the broker-dealers that act as their order-routing agents, have a wide range of choices of where to route orders for execution’; [and] ‘no exchange can afford to take its market share percentages for granted’ because ‘no exchange possesses a monopoly, regulatory or otherwise, in the execution of order flow from broker dealers’....”²⁷ Accordingly, the Exchange does not believe its proposed changes to extend the above-mentioned fee waivers and incentive programs impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

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.

²⁶ See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005).

²⁷ *NetCoalition v. SEC*, 615 F.3d 525, 539 (D.C. Cir. 2010) (quoting Securities Exchange Act Release No. 59039 (December 2, 2008), 73 FR 74770, 74782-83 (December 9, 2008) (SR-NYSEArca-2006-21)).

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 Act²⁸ and Rule 19b-4(f)(2)²⁹ 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 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.

²⁸ 15 U.S.C. 78s(b)(3)(A).

²⁹ 17 CFR 240.19b-4(f)(2).

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-2020-011]

[Insert date]

Self-Regulatory Organizations; Cboe Exchange, Inc.; 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], 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

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 on the proposed rule change. The text of these statements may be examined at the places

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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 to (1) amend certain SPX fees, (2) amend the standard transaction fee for Clearing Trading Permit Holder Proprietary orders in Underlying Symbol List A, (3) amend certain VIX fees, (4) adopt fee codes for waived linkage transactions, (5) re-adopt the Clearing Trading Permit Holder position re-assignment rebate, (6) clarify that Network Access Ports will be available for physical connections to PULSe through February 29, 2020, and (7) reduce the rebate under the GTH SPX/SPXW LLM program.³

SPX Fees

Standard Transaction Fees

The Exchange first proposes to adopt modest fee increases for SPX and SPXW transactions. With respect to Customer orders (capacity "C") in SPX and SPXW, the Exchange proposes to increase transaction fees by \$0.01 per contract. More specifically, the Exchange proposes to increase Customer transaction fees for SPX/SPXW orders with a premium of (1) \$0.00-\$0.10 and \$0.11-\$0.99 from \$0.35 per contract to \$0.36 per contract and (2) \$1.00 or more from \$0.44 per contract to \$0.45 per contract. The Exchange next proposes to increase transaction fees for Broker-Dealer (capacity "B"),

³ The Exchange initially filed the proposed fee changes on February 3, 2020 (SR-CBOE-2020-008). On February 4, 2020, the Exchange withdrew that filing and submitted SR-CBOE-2020-009. On February 6, 2020, the Exchange withdrew that filing and submitted this filing.

Joint Back-Office (capacity “J”), Non-Trading Permit Holder (“TPH”) Market-Maker (capacity “N”), and Professional (capacity “U”) orders in SPX and SPXW from \$0.40 per contract to \$0.42⁴ per contract.

SPX Liquidity Provider Sliding Scale

The Exchange proposes to amend its sliding scale for Market-Maker transaction fees in SPX and SPXW (“SPX Liquidity Provider Sliding Scale”). Currently, Market-Makers’ transaction fees in SPX and SPXW are determined by their average monthly contracts in SPX and SPXW. The SPX Liquidity Provider Sliding Scale currently provides for five tiers. The Exchange proposes to increase the transaction fees under Tiers 4 and 5 of the SPX Liquidity Provider Sliding Scale by \$0.01 per contract (and thereby lessen the current discount). More specifically, the Exchange proposes to increase the transaction rate under Tier 4⁵ from \$0.22 per contract to \$0.23 per contract, and the transaction rate under Tier 5⁶ from \$0.20 per contract to \$0.21 per contract. The Exchange believes that notwithstanding the proposed transaction fee increase under Tiers 4 and 5, the SPX Liquidity Provider Sliding Scale will continue to provide incremental incentives for Market-Makers to reach the highest tier level and encourage trading of SPX options, as it continues to provide progressively lower rates if increased volume thresholds in SPX (including SPXW) options are attained during a month.

SPXW Execution Surcharge

⁴ The Exchange proposes to adopt new fee code BT for Non-Customer, Non-Market-Maker SPX and SPXW orders.

⁵ The volume threshold for Tier 4 is 9.00% - \$15.00%.

⁶ The volume threshold for Tier 5 is above 15.00%.

The Exchange proposes to amend the Execution Surcharge for SPXW (“SPXW Surcharge”). Currently, the Exchange assesses a SPXW Surcharge of \$0.10 per contract for non-Market-Maker orders in SPXW that are executed electronically (with some exceptions).⁷ The Exchange proposes to increase the Execution Surcharge for SPXW to \$0.13 per contract. The Exchange notes the proposed SPXW Surcharge is still less than the Execution Surcharge assessed for SPX transactions.⁸

SPX Index License Surcharge

The Exchange proposes to increase the Index License Surcharge Fee for SPX (including SPXW) (the “SPX Surcharge”) from \$0.16 per contract to \$0.17 per contract. The Exchange licenses from S&P Dow Jones Indices (“SPDJI”) (the “SPDJI License”) the right to offer an index option product based on the S&P 500 index (that product being SPX and other SPX-based index option products). In order to offset the costs associated with the SPDJI License, the Exchange assesses the SPX Surcharge. The Exchange therefore proposes to increase the SPX Surcharge from \$0.16 per contract to \$0.17 per contract in order to offset more of the costs associated with the SPX license.

Clearing Trading Permit Holder Proprietary Fees

The Exchange proposes to increase the standard transaction fee for Clearing Trading Permit Holders and for Non-Clearing Trading Permit Holder Affiliates (“Firms”) (capacities “F” and “L”, respectively) in Underlying Symbol List A⁹ (excluding VIX) by

⁷ See Cboe Options Fees Schedule, Footnote 21.

⁸ See Cboe Options Fees Schedule, Rate Table – Underlying Symbol List A, Execution Surcharge, SPX only.

⁹ Underlying Symbol List A currently includes OEX, XEO, RUT, RLG, RLV, RUI, UKXM, SPX (includes SPXw) and VIX. See Cboe Options Fees Schedule, Footnote 34.

\$0.01. Specifically the Exchange proposes to increase the fee from \$0.25 per contract to \$0.26 per contract.

VIX Fees

The Exchange next proposes to amend standard Customer (capacity “C”) transaction fees for VIX transactions. First the Exchange proposes to decrease certain VIX transaction fees, adopt separate fees for simple versus complex VIX transactions, and adopt a new fee for VIX orders with a premium of \$2.00 or more, along with the noted fee codes, as follows:

Current Premium	Proposed Premium	Current	Proposed Simple Fees	Fee Code	Proposed Complex Fees	Fee Code
\$0.00-\$0.10	\$0.00-\$0.10	\$0.10	No change	CV	\$0.05	CZ
\$0.11-\$0.99	\$0.11-\$0.99	\$0.25	No change	CW	\$0.17	DA
Greater than \$1.00	\$1.00-\$1.99	\$0.45	\$0.40	CX	\$0.30	DB
N/A	\$2.00 and above	N/A	\$0.45	CY	\$0.45	DC

The Exchange proposes to reduce fees for Customer simple orders with a premium between \$1.00-\$1.99 to incentivize the sending of more orders within this premium range. Similarly, the Exchange proposes to adopt reduced fees for Customer complex VIX orders in order to encourage the sending of additional complex VIX orders. The Exchange did not believe it was necessary to assess different fees for simple and complex VIX orders with a premium of \$2.00 or greater. The Exchange notes that Customer VIX orders with a premium of \$2.00 or greater account for a very small percentage of overall VIX trading.

Linkage Waiver

The Exchange proposes to adopt fee codes for linkage transactions for which away transaction fees are waived. More specifically, the Exchange currently provides that it will not pass through or otherwise charge customer orders (of any size) routed to other exchanges that were originally transmitted to the Exchange from the trading floor through an Exchange-sponsored terminal (e.g. a PULSe Workstation). Currently, this waiver is implemented manually. Beginning February 3, 2020, this waiver will be automated and the Exchange therefore proposes to adopt specific fee codes for such transactions. Particularly, the Exchange proposes to adopt the following fee codes for customer orders (of any size) routed to other exchanges that were originally transmitted to the Exchange from the trading floor through an Exchange-sponsored terminal:

Fee Code		Rate
TD	Routed to AMEX, BOX, BX, EDGX, MERC, MIAX, PHLX, ≥ 100 contracts, ETF	\$0.18 ¹⁰
TE	Routed to AMEX, BOX, BX, EDGX, MERC, MIAX, PHLX, < 100 contracts ETF, Equity	\$0.00 ¹¹
TF	Routed to ARCA, BZX, C2, ISE, GMNI, EMLD, PERL, NOMX, ≥ 100 contracts ETF, Penny	\$0.18
TG	Routed to ARCA, BZX, C2, ISE, GMNI, EMLD, PERL, NOMX, ≥ 100 contracts ETF, Non-Penny	\$0.18
TH	Routed to ARCA, BZX, C2, ISE, GMNI, EMLD, PERL, NOMX, < 100 contracts ETF, Equity, Penny	\$0.00
TI	Routed to ARCA, BZX, C2, ISE, GMNI, EMLD, PERL, NOMX, < 100 contracts ETF, Equity, Non-Penny	\$0.00
TS	Routed, Index	\$0.18
TX	Routed, XSP, originating on Exchange-sponsored terminal	\$0.04 ¹²

¹⁰ The Exchange assesses \$0.18 per contract for customer ETF orders that are ≥ 100 contracts, and customer orders in multi-listed index products. See Cboe Options Fees Schedule, Rate Table – All Products Excluding Underlying Symbol List A.

¹¹ The Exchange does not assess a fee for customer ETF orders that are < 100 contracts or for customer orders in equity options. See Cboe Options Fees Schedule, Rate Table – All Products Excluding Underlying Symbol List A.

¹² The Exchange assesses a \$0.04 per contract fee for customer XSP orders. See Cboe Options Fees Schedule, Rate Table – All Products Excluding Underlying Symbol List A.

The Exchange notes the proposed fee codes do not represent a substantive change, but are being adopted merely in light of the Exchange's automation of a current waiver.

Clearing Trading Permit Holder Position Re-Assignment Rebate

The Exchange proposes to adopt a rebate for transaction fees assessed to a Clearing Trading Permit Holder who, as a result of a trade adjustment on any business day following the original trade, re-assigns a position established by the initial trade to a different Clearing Trading Permit Holder. In such a circumstance, the Exchange will rebate, for the party for whom the position is being re-assigned, that party's transaction fees from the original transaction as well as the transaction in which the position is re-assigned. In all other circumstances, including corrective transactions, in which a transaction is adjusted on any day after the original trade date, regular Exchange fees will be assessed. The Exchange notes that the proposed rebate is not novel. Indeed, the Exchange's Fees Schedule had included the proposed rebate prior to the migration to a new billing system on October 7, 2019, but had eliminated the rebate upon migration¹³. After further evaluation, the Exchange now wishes to re-adopt the proposed rebate. The Exchange lastly notes that because the Exchange may not always be able to automatically identify these situations, in order to receive a rebate, the Fees Schedule will also provide that a written request in a form and manner prescribed by the Exchange must be submitted within 3 business days of the original transaction.

Network Access Ports

By way of background, a physical port is utilized by a TPH or non-TPH to connect to the Exchange at the data centers where the Exchange's servers are located.

¹³ See Securities and Exchange Act Release No. 87303 (October 15, 2019), 84 FR 56276 (October 21, 2019) (SR-CBOE-2019-080).

Prior to migration of its trading platform to a new system on October 7, 2019, the Exchange utilized Network Access Ports for these physical connections to the Exchange. Upon migration, the TPHs and non-TPHs had the option to alternatively elect to connect to Cboe Options via new latency equalized Physical Ports. The Exchange had noted in its Fees Schedule that through January 31, 2020, Cboe Options market participants would continue to have the ability to connect to Cboe Options' trading system via the current Network Access Ports. The Exchange notes that all Network Access Ports have been decommissioned as of January 31, 2020, with the exception of a couple Network Access Ports used solely to connect to PULSe. The Exchange notes that although the new latency equalized Physical Ports became available on October 7, 2019, the new Physical Ports were not originally able to be utilized to send orders to PULSe. Accordingly, users who wished to route orders to PULSe via the Exchange's physical ports had to maintain and use a legacy Network Access Fee Port and could not use any of the new Physical Ports for such purpose. The Exchange notes that although the new Physical Ports are now able to be used to connect to PULSe, a couple of TPHs have not yet made the transition from the Exchange's legacy Network Access Ports to the new Physical Ports for purposes of connecting to PULSe. As such, the Exchange proposes to amend the Fees Schedule to clarify that Network Access Ports will be available through February 29, 2020 to connect to PULSe. The fee waiver for Network Access Ports used solely to access PULSe will continue to remain in place.

GTH SPX/SPXW LMM Incentive Program

Pursuant to the Fees Schedule, a LMM in SPX/SPXW 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) if the LMM(s) 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

A GTH LMM in SPX/SPXW is not currently obligated to satisfy the heightened quoting standards described in the table above. Rather, an LMM is eligible to receive the rebate if they satisfy the heightened quoting standards above. The Exchange now proposes to amend the rebate available to LMM(s) under the program. Specifically, the Exchange proposes to eliminate the current compensation pool structure and reduce a straight rebate per product per LMM. More specifically, the Exchange proposes to provide that if a GTH SPX/SPXW LMM meets the proposed heightened quoting standard

described above, it will receive \$10,000 per product. As is the case today, SPX/SPXW GTH LMM(s) will still not be obligated to satisfy the amended heightened quoting standard. The Exchange believes the program, as amended, will continue to encourage SPX/SPXW GTH LMM(s) to provide liquidity in SPX/SPXW during GTH. Additionally, the Exchange notes that a SPX/SPXW GTH LMM may need to undertake expenses to be able to quote at a significantly heightened standard in SPX/SPXW, such as purchase more logical connectivity based on its increased capacity needs.

The Exchange also proposes to eliminate (1) the example of how the compensation pool works as it is no longer necessary given the elimination of the compensation pool structure, and (2) obsolete language regarding how the program was billed for October 2019.

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.¹⁴ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹⁵ 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

¹⁴ 15 U.S.C. 78f(b).

¹⁵ 15 U.S.C. 78f(b)(5).

market and a national market system, and, in general, to protect investors and the public interest, and does not unfairly discriminate between customers, issuers, brokers or dealers. Additionally, the Exchange believes the proposed rule change is consistent with Section 6(b)(4) of the Act,¹⁶ 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.

The Exchange believes the proposed increases to Customer SPX transaction fees are reasonable as the proposed increases are modest and modifies fees that have not been otherwise amended in well over 10 years.¹⁷ The Exchange notes the proposed fees are also in line with customer transaction fees assessed in other index products.¹⁸ Similarly, the Exchange believes the proposed fee increase for Broker-Dealer, Joint Back-Office, Non-TPH Market-Maker and Professional SPX/SPX orders is reasonable as it too is a modest increase to a fee that has not been modified in over ten years.¹⁹ The Exchange notes the proposed fee is still in line with transaction fees assessed in other index products.²⁰ The Exchange believes the proposed standard transaction fee increases are

¹⁶ 15 U.S.C. 78f(b)(4).

¹⁷ See Securities Exchange Act Release No. 55193 (January 30, 2007) 72 FR 5476 (February 6, 2007) (SR-CBOE-2006-111) and Securities Exchange Act Release No. 57191 (January 24, 2008) 73 FR 5611 (January 30, 2008) (SR-CBOE-2007-150).

¹⁸ See e.g., Cboe Options Fees Schedule, Rate Table – Underlying Symbol List A, customer transaction fees.

¹⁹ See Securities Exchange Act Release No. 55193 (January 30, 2007) 72 FR 5476 (February 6, 2007) (SR-CBOE-2006-111).

²⁰ See e.g., Cboe Options Fees Schedule, Rate Table – Underlying Symbol List A, Broker-Dealer, Joint Back-Office, Non-TPH Market-Maker and Professional fees for RUT.

also equitable and not unfairly discriminatory because the changes apply to similarly situated market participants uniformly.

The Exchange believes the proposed amendment to the discounted Market-Maker fees in Tiers 4 and 5 of the SPX Liquidity Provider Sliding Scale is reasonable because Market-Makers are still eligible to receive discounted fees for satisfying the corresponding criteria (albeit less of a discount). The Exchange believes that notwithstanding the proposed transaction fee increase under Tiers 4 and 5, the SPX Liquidity Provider Sliding Scale will continue to provide incremental incentives for Market-Makers to reach the highest tier level and encourage trading of SPX options, as it continues to provide progressively lower rates if increased volume thresholds in SPX (including SPXW) options are attained during a month. The Exchange also believes the rebates, as amended, are still commensurate with the difficulty level of satisfying the respective tier's criteria. The Exchange believes the proposed fee change is equitable and not unfairly discriminatory as it applies uniformly to all Market-Makers.

The Exchange believes amending the Execution Surcharge for SPXW Surcharge is reasonable as such fee is still lower than the Execution Surcharge for SPX transactions.²¹ Additionally, the proposed increase helps to ensure that there is reasonable cost equivalence between the primary execution channels for SPXW. More specifically, the SPXW Surcharge was adopted to minimize the cost differentials between manual and electronic executions, which is in the interest of the Exchange as it must both maintain robust electronic systems as well as provide for economic opportunity for floor brokers to continue to conduct business, as they serve an important function in achieving price

²¹ See Cboe Options Fees Schedule, Rate Table, Underlying Symbol List A, which provides for a \$0.21 per contract Execution Surcharge for SPX orders.

discovery and customer executions.²² The Exchange believes the proposed change is also equitable and not unfairly discriminatory as it applies uniformly to all similarly situated market participants.

Increasing the SPX Surcharge is reasonable because the Exchange still pays more for the SPX license than the amount of the proposed SPX Surcharge (meaning that the Exchange is, and will still be, subsidizing the costs associated with the SPX license). This increase is equitable and not unfairly discriminatory because the increased amount will be assessed to all market participants to whom the SPX Surcharge applies.

The Exchange believes the proposed increase to the standard Firm transaction fee in Underlying Symbol List A (excluding VIX) orders is reasonable as the proposed increase is modest and modifies a fee that has not been amended in over 9 years.²³ The Exchange notes the proposed fees are also in line with customer transaction fees assessed in other index products.²⁴ The Exchange also notes that Firms continue to have an opportunity to earn a discounted fee via the Clearing Trading Permit Holder Proprietary Products Sliding Scale. The Exchange believes the proposed fee increase is also equitable and not unfairly discriminatory because the change applies to Firms uniformly.

The Exchange next believes its proposed change to reduce certain VIX transaction fees is reasonable as Customers will be paying lower fees for such transactions. The Exchange notes the proposed changes to VIX Customer transaction fees

²² See Securities Exchange Act Release No. 71295 (January 14, 2014) 79 FR 3443 (January 21, 2014) (SR-CBOE-2013-129).

²³ See Securities Exchange Act Release No. 63701 (January 11, 2011) 76 FR 2934 (January 18, 2011) (SR-CBOE-2010-116).

²⁴ See e.g., Cboe Options Fees Schedule, Rate Table – Underlying Symbol List A, customer transaction fees.

are designed to encourage the sending of additional VIX orders, including complex orders. The Exchange notes the proposed change is also in line with other fee programs that are designed to incentivize the sending of complex orders to the Exchange. For example, the Exchange provides higher rebates under the Volume Incentive Program for complex orders as compared to simple orders.²⁵ The Exchange believes the proposed fee changes are also equitable and not unfairly discriminatory because they apply to all Customers uniformly.

The Exchange believes adopting fee codes for waived linkage transactions is reasonable and equitable because the Exchange believes such fee codes provide further clarity in the Fees Schedule and the fee codes do not amend the current linkage fees or fee waiver. Rather, the Exchange is merely adopting fee codes in light of the transition from manual processing of the current linkage waiver to automated processing. Additionally, the Exchange believes the proposed fee codes allow TPHs to more easily validate the bills they receive from the Exchange, thus alleviating potential confusion.

The Exchange believes it is reasonable to offer a rebate when a Clearing Trading Permit Holder re-assigns a position, as the Clearing Trading Permit Holder may not have elected to take that position in the first place (and may just have been erroneously listed as a party to the transaction). The Exchange believes that this change is equitable and not unfairly discriminatory for the same reason; it is equitable to rebate fees to a Clearing Trading Permit Holder that was assessed fees for taking a position from a transaction to which that Clearing Trading Permit Holder was not a party. Otherwise, the Exchange believes it is equitable for a party that made an error reporting a transaction to be

²⁵ See Cboe Options Fees Schedule, Volume Incentive Program.

responsible for paying the fees associated with making that error. Further, the proposed changes will apply equally to all market participants. The Exchange also notes that the proposed rebate is not novel. Indeed, the Exchange's Fees Schedule had included the proposed rebate prior to the migration to a new billing system on October 7, 2019, but had eliminated the rebate upon migration²⁶. After further evaluation, the Exchange now wishes to re-adopt the proposed rebate.

The Exchange believes the proposal to allow TPHs to continue to utilize legacy Network Access Ports through February 29, 2020 is reasonable as a few TPHs have not yet been able to transition from the Network Access Ports to the new Physical Ports with respect to their connection to PULSe. Any remaining Network Access ports would be configured to only allow routing of orders to PULSe, The Exchange believes updating the notes section for Network Access Ports provides further clarity in the rules as to the availability of such ports. The Exchange believes its proposal to eliminate obsolete language in the notes section of the Network Access Ports also alleviates potential confusion.

The Exchange believes the amount of the amended rebate for SPX/SPXW GTH LMMs (\$10,000 per product) is reasonable because it continues to provide a rebate (albeit a reduced rebate) for meeting the heightened quoting standard and takes into consideration additional costs an LMM may incur. Particularly, the Exchange believes the proposed amount is such that it will still incentivize an appointed LMM to meet the GTH quoting standards for SPX and SPXW, thereby protecting investors and the public interest. Additionally, if an LMM does not satisfy the heightened quoting standard, then

²⁶ See Securities and Exchange Act Release No. 87303 (October 15, 2019), 84 FR 56276 (October 21, 2019) (SR-CBOE-2019-080).

it will simply not receive the rebate. The Exchange believes it is equitable and not unfairly discriminatory to only offer the rebate to SPX/SPXW LMMs because 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).

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

The Exchange does not believe that the proposed rule change will impose any burden on intramarket or intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. First, the Exchange believes the proposed rule change does impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. Particularly, the proposed changes as described above apply to all similarly situated TPHs in a uniform manner. Additionally, while different fees and rebates are assessed to different market participants in some circumstances, these different market participants have different obligations and different circumstances. For example, Market-Makers, including Lead Market-Makers play a crucial role in providing active and liquid markets in their appointed products, thereby providing a robust market which benefits all market participants. Such Market-Makers also have obligations and regulatory requirements that other participants do not have. There is also a history in the options markets of providing preferential treatment to customers, as they often do not have as sophisticated trading operations and systems as other market participants, which often makes other market participants prefer to trade

with customers. Further, the Exchange fees and rebates, both current and those proposed to be changed, are intended to encourage market participants to bring increased volume to the Exchange (which benefits all market participants), while still covering Exchange costs (including those associated with the upgrading and maintenance of Exchange systems).

Next, the Exchange believes the proposed rule change does not impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. First, changes relating to the Exchange's proprietary products only affect trading on Cboe Options, as such products are exclusively listed on Cboe Options. Next, the Exchange notes it operates in a highly competitive market. In addition to Cboe Options, TPHs have numerous alternative venues that they may participate on and direct their order flow, including 15 options exchanges, as well as off-exchange venues. Based on publicly available information, no single options exchange has more than 22% of the market share of executed volume of options trades.²⁷ Therefore, no exchange possesses significant pricing power in the execution of option order flow. Moreover, the Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. Specifically, in Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and, also, recognized that current regulation of the market system "has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed

²⁷ See Cboe Global Markets, U.S. Options Market Volume Summary by Month (February 3, 2020) available at http://markets.cboe.com/us/options/market_share/.

companies.”²⁸ The fact that this market is competitive has also long been recognized by the courts. In *NetCoalition v. Securities and Exchange Commission*, the D.C. Circuit stated as follows: “[n]o one disputes that competition for order flow is ‘fierce.’ ... As the SEC explained, ‘[i]n the U.S. national market system, buyers and sellers of securities, and the broker-dealers that act as their order-routing agents, have a wide range of choices of where to route orders for execution’; [and] ‘no exchange can afford to take its market share percentages for granted’ because ‘no exchange possesses a monopoly, regulatory or otherwise, in the execution of order flow from broker dealers’....”²⁹ Accordingly, the Exchange does not believe its proposed changes to extend the above-mentioned fee waivers and incentive programs impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

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 Act³⁰ and paragraph (f) of Rule 19b-4³¹ thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily

²⁸ See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005).

²⁹ *NetCoalition v. SEC*, 615 F.3d 525, 539 (D.C. Cir. 2010) (quoting Securities Exchange Act Release No. 59039 (December 2, 2008), 73 FR 74770, 74782-83 (December 9, 2008) (SR-NYSEArca-2006-21)).

³⁰ 15 U.S.C. 78s(b)(3)(A).

³¹ 17 CFR 240.19b-4(f).

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-2020-011 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-2020-011. 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-2020-011 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.³²

Secretary

³² 17 CFR 200.30-3(a)(12).

Cboe Exchange, Inc.
Fees Schedule - February [4] 6, 2020

Rate Table - Underlying Symbol List A (34) (Also applies to GTH)(37)			Options Transaction Fees (1)(3)(4)(7)(15)(33)(39)						
Capacity		Products	Capacity 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[+] - \$1.99	\$2.00+	AIM Agency/Primary (19)	AIM Contra (18)
Customer (2)		OEX and XEO	C	{CO} \$0.40					
		OEX Weeklys, XEO Weeklys (47)		{CP} \$0.30					
		RUT, RLG, RLV, RUI and UKXM (40)		{CR} \$0.18/{WR} \$0.00 RLG, RLV, RUI, UKXM only					
		SPX (incl SPXW)		{CS} \$0.3[5]6	{CT} \$0.4[4]5		See Rates to Left		
		VIX (simple orders)		{CV} \$0.10	{CW} \$0.25	{CX} \$0.4[5]0	{CY} \$0.45	See Rates to Left	
		VIX (complex orders)		{CZ} \$0.05	{DA} \$0.17	{DB} \$0.30	{DC} \$0.45	See Rates to Left	
Clearing Trading Permit Holder Proprietary (11)(12)(16)(40)		Underlying Symbol List A (34)	F L	{FH} \$0.2[5]6 - See Cboe Options Clearing Trading Permit Holder Proprietary Products Sliding Scales/ {WR} \$0.00 RLG, RLV, RUI, UKXM Only					
Cboe Options Market-Maker/ DPM/LMM (10)(42)(43)		VIX	M	{FK} \$0.25 - See Cboe Options Clearing Trading Permit Holder VIX Sliding Scale					
		SPX (incl SPXW)(41)		{MS} \$0.28 - See SPX Liquidity Provider Sliding Scale/ {SC} \$0.00					
		RUT		{MT} \$0.30					
		RLG, RLV, RUI, UKXM, OEX and XEO (40)		{MR} \$0.20/ {WR} \$0.00 RLG, RLV, RUI, UKXM only					
Joint Back-Office (45)		VIX (43)(45)		{MV} \$0.05	{MW} \$0.23		See Rates to Left		
		OEX, XEO,SPX (incl SPXW)] and VIX	B N U J	{BR} \$0.40					
		SPX (incl SPXW)		{BT} \$0.42					
Non-Trading Permit Holder Market Maker (16)(45) Professional (45)		RUT, RLG, RLV, RUI and UKXM (40)	F J L M B N U	{BS} \$0.25 Manual and AIM/ {BK} \$0.65 non-AIM Electronic/ {WR} \$0.00 RLG, RLV, RUI, UKXM only					
				\$0.45					
Surcharge Fee (14) (Also applies to GTH)(37)	Index License (41)	RUT	F J L M B N U	\$0.1[6]7/ {SC} \$0.00					
		SPX (incl SPXW) (41)		\$0.10 (\$0.00 for capacity 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.)					
		OEX, RLG, RLV, RUI, UKXM, XEO and VIX (40)							
FLEX Surcharge Fee (17)(40)			C F J L M B N U	\$0.10 (capped at \$250 per trade)					
Exotic Surcharge (42)			C	\$0.25					
Execution Surcharge (21) (Also applies to GTH)(37)		SPX Only (15)	C F J L B N U	\$0.21					
		SPXW (electronic only)		\$0.1[0]3					
Customer Priority Surcharge (31) (Also applies to GTH)(37)		VIX (Maker non-turner)	C	\$0.00		\$0.20			

SPX Liquidity Provider Sliding Scale (41)(33)					
Capacity	Tier	Volume Thresholds	Capacity Code	Transaction Fee Per Contract	Notes
Cboe Options Market-Maker/LMM	1	0.00% - 1.00%	M	\$0.28	Volume thresholds are based on total Market-Maker volume in SPX and SPXW.
	2	Above 1.00% - 4.00%		\$0.26	
	3	Above 4.00% - 9.00%		\$0.24	
	4	Above 9.00% - 15.00%		\$0.2[2]3	
	5	Above 15.00%		\$0.2[0]1	

Routing Fees				
Capacity	Transaction Fee Per	Description	Notes	
Customer	{RD} \$0.33	Routed to AMEX, BOX, BX, EDGX, MERC, MIAH, PHLX, ≥ 100 contracts, ETF	Multiple orders from the same executing firm for itself or for a CMTA or correspondent firm in the same series on the same side of the market that are received within 500 milliseconds will be aggregated for purposes of determining the order quantity. Cboe Options will not pass through or otherwise charge customer orders (of any size) routed to other exchanges that were originally transmitted to the Exchange from the trading floor through an Exchange-sponsored terminal (e.g. a PULSe Workstation).	
	{RE} \$0.15	Routed to AMEX, BOX, BX, EDGX, MERC, MIAH, PHLX, < 100 contracts ETF, Equity		
	{RF} \$0.83	Routed to ARCA, BZX, C2, ISE, GMNI, EMLD, PERL, NOMX, ≥ 100 contracts ETF, Penny		
	{RG} \$1.18	Routed to ARCA, BZX, C2, ISE, GMNI, EMLD, PERL, NOMX, ≥ 100 contracts ETF, Non-Penny		
	{RH} \$0.65	Routed to ARCA, BZX, C2, ISE, GMNI, EMLD, PERL, NOMX, <100 contracts ETF, Equity, Penny		
	{RI} \$1.00	Routed to ARCA, BZX, C2, ISE, GMNI, EMLD, PERL, NOMX, <100 contracts ETF, Equity, Non-Penny		
	{RS} \$0.48	Routed, Index		
	{RX} \$0.19	Routed, XSP		
	{TD} \$0.18	Routed to AMEX, BOX, BX, EDGX, MERC, MIAH, PHLX, ≥ 100 contracts, ETF, originating on Exchange-sponsored terminal		
	{TE} \$0.00	Routed to AMEX, BOX, BX, EDGX, MERC, MIAH, PHLX, < 100 contracts ETF, Equity, originating on Exchange-sponsored terminal		
	{TF} \$0.18	Routed to ARCA, BZX, C2, ISE, GMNI, EMLD, PERL, NOMX, ≥ 100 contracts ETF, Penny, originating on Exchange-sponsored terminal		
	{TG} \$0.18	Routed to ARCA, BZX, C2, ISE, GMNI, EMLD, PERL, NOMX, ≥ 100 contracts ETF, Non-Penny, originating on Exchange-sponsored terminal		
	{TH} \$0.00	Routed to ARCA, BZX, C2, ISE, GMNI, EMLD, PERL, NOMX, <100 contracts ETF, Equity, originating on Exchange-sponsored terminal		
	{TI} \$0.00	Routed to ARCA, BZX, C2, ISE, GMNI, EMLD, PERL, NOMX, <100 contracts ETF, Equity, Non-Penny, originating on Exchange-sponsored		
	{TS} \$0.18	Routed, Index, originating on Exchange-sponsored terminal		
	{TX} \$0.04	Routed, XSP, originating on Exchange-sponsored terminal		
Non-Customer	{RJ} \$1.17	Routed, Penny		
	{RK} \$1.45	Routed, Non-Penny		

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Physical Connectivity Fees		
Service	Monthly Fees (per port)	Notes
1 Gb Physical Port	\$1,500	Effective October 7, 2019, TPHs and non-TPHs may elect to connect to Cboe Options' trading system via new Physical Ports. Physical Port fees will be prorated based on the remaining trading days in the calendar month.
10 Gb Physical Port	\$7,000	
1 Gb Network Access	\$1,500	Through [January 31]February 29, 2020, TPHs and non-TPHs will continue to have the ability to connect to [Cboe Options' trading system] PULSe via the [current] Network Access Ports. Fees for one Network Access Port used only to access PULSe will be waived per TPH or non-TPH.
10 Gb Network Access	\$7,000	
1 Gb Physical Port (Disaster Recovery)	\$2,000	Disaster Recovery Physical Ports may be used to connect to the Disaster Recovery Systems of C2, Cboe BZX, Cboe BYX, Cboe EDGX, Cboe EDGA and CFE. Market participants will only be assessed a single fee for any Disaster Recovery Physical Port that accesses these exchanges. If a market participant maintains two Disaster Recovery Physical Ports of the same size in order to receive unicast and multicast connectivity, that market participant will only be assessed a single fee (e.g., if a TPH uses one 1 Gb Disaster Recovery Physical Port to receive only unicast traffic and one 1 Gb Disaster Recovery Physical Port to receive only multicast traffic, the TPH will be charged \$2,000 per month)
10 Gb Physical Port (Disaster Recovery)	\$6,000	

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Trading Permit Holder Transaction Fee Policies and Rebate Programs (Also applies to GTH)(37)	
Description	Notes
Trading Permit Holder Transaction Fees - Index Options	All Trading Permit Holders are eligible to pay no higher than Clearing Trading Permit Holder proprietary transaction fees, unless an individual Trading Permit Holder is a nominee for a TPH organization and is not an employee of the TPH organization. An exception to the above is allowed if preponderance of a Clearing Trading Permit Holder's business is for customer activity rather than its own firm proprietary account. Trading Permit Holders who are eligible for Clearing Trading Permit Holder proprietary rates but were charged customer rates (e.g. non-OCC members) must submit a rebate request no later than 60 days after the month-end to which the trade relates.
Trading Permit Holder Transaction Fees - Equity and Index Options	Transaction fees are charged to the executing firm designated in Cboe Options trade match records. With regard to CMTA firm proprietary activity, the Exchange and the OCC permit the "F" capacity code to designate firm proprietary activity. However, index customer transaction fees are assessed for index orders if the CMTA firm is not an Exchange Trading Permit Holder. In equities and QQQ options, the broker-dealer rate will be assessed.
Error Account Transactions	Error account transactions are eligible to receive market maker transaction fee rates. Clearing Trading Permit Holders and floor brokers are advised that the Exchange and the Options Clearing Corporation allow error account transactions to clear as market maker transactions, subject to applicable margin requirements. If a hardship exists in clearing the errors as market maker transactions, a rebate to market maker rates may be obtained by submitting a rebate request.
Clearing Trading Permit Holder Position Re-Assignment	<u>Cboe Options will rebate assessed transaction fees to an executing Clearing Trading Permit Holder who, as a result of a trade adjustment on any business day following the original trade, re-assigns a position established by the initial trade to a different executing Clearing Trading Permit Holder. In such a circumstance, the Exchange will rebate, for the party for whom the position is being re-assigned, that party's transaction fees from the original transaction as well as the transaction in which the position is re-assigned. In all other circumstances, including corrective transactions, in which a transaction is adjusted on any day after the original trade date, regular Exchange fees will be assessed. In order to receive a rebate, a written request in a form and manner prescribed by the Exchange, must be submitted within 3 business days after the original transaction occurred.</u>

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GTH SPX/SPXW LMM Incentive Program										
Capacity	Capacity 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] <u>\$10,000</u> for SPX and [a compensation pool] <u>\$10,000</u> 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.]										

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