

OMB APPROVAL

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Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 24

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

File No.* SR - 2020 - * 062

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"/> |
| Pilot <input type="checkbox"/> Extension of Time Period for Commission Action * <input type="checkbox"/> Date Expires * <input type="text"/> | | | Rule <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) *

☐

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 amend the Silexx trading platform 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 * 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 07/01/2020

By Laura G. Dickman

(Name *)

VP, Associate 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.

ldickman@cboe.com

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFF 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 *

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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

Add Remove View

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

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 the Silexx trading platform (“Silexx” or the “platform”) 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) approved the proposed rule change on July 1, 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 purpose of this filing is to amend the Silexx Fees Schedule to (1) waive certain fees for FLEX and Cboe Silexx, (2) introduce a new “CAT File” fee and (3) eliminate obsolete references to an expired upgrade opportunity, effective July 1, 2020.

By way of background, the Silexx platform consists of a “front-end” order entry and management trading platform (also referred to as the “Silexx terminal”) for listed stocks and options that supports both simple and complex orders,¹ and a “back-end” platform which

¹ The platform also permits users to submit orders for commodity futures, commodity options and other non-security products to be sent to designated

provides a connection to the infrastructure network. From the Silexx platform (i.e., the collective front-end and back-end platform), a Silexx user has the capability to send option orders to U.S. options exchanges, send stock orders to U.S. stock exchanges (and other trading centers), input parameters to control the size, timing, and other variables of their trades, and also includes access to real-time options and stock market data, as well as access to certain historical data. The Silexx platform is designed so that a user may enter orders into the platform to send to an executing broker (including Trading Permit Holders (“TPHs”)) of its choice with connectivity to the platform, which broker will then send the orders to Cboe Options (if the broker is a TPH) or other U.S. exchanges (and trading centers) in accordance with the user’s instructions. With the exception of Silexx FLEX and Cboe Silexx, users cannot directly route orders through any of the current versions of Silexx to an exchange or trading center nor is the platform integrated into or directly connected to Cboe Option’s System. The Exchange recently made available additional versions of the Silexx platform, Silexx FLEX and Cboe Silexx, which do support the trading of FLEX and non-FLEX Options, respectively, and allows authorized Users with direct access to the Exchange. The Silexx front-end and back-end platforms are a software application that are installed locally on a user’s desktop. Silexx grants users licenses to use the platform, and a firm or individual does not need to be a TPH to license the platform. Use of Silexx is completely optional.

contract markets, futures commission merchants, introducing brokers or other applicable destinations of the users’ choice.

Additional Functionality Fee Waiver

The Exchange first proposes to waive the following fees for additional functionality users may purchase for FLEX and Cboe Silexx:

| <u>Additional Functionality for Platforms</u> | <u>Functionality Description</u> | <u>Fee</u> |
|--|--|-----------------------------|
| Crossing | Availability of crossing order ticket | \$300/month/login ID |
| Port | Provides access to an executing broker with connectivity to the Silexx platform for routing | \$100/month/login ID |
| Staged Orders, Drop Copies, and Order Routing Functionality for FIX Connections (sessions) | Ability to receive staged orders, receive “drop copies” of order fill messages, and route orders to executing brokers | \$250/month/FIX Connection |
| Staged Orders, Drop Copies, and Order Routing Functionality for FIX Connections (sessions) Using Third-Party FIX Router | Ability to receive staged orders, receive “drop copies” of order fill messages, and route orders to executing brokers through a third-party FIX router | \$500/month/ FIX Connection |
| Equity Order Reports (paid by the trading firm) | Daily transmission of equity order reports | \$250/month/trading firm |

Particularly, the above additional functionality permits users to add features in accordance with their use of the Silexx platform. The Exchange offers each type of additional functionality as a convenience and use of each type of additional functionality is discretionary and not compulsory. More specifically, the crossing functionality provides

users who choose to regularly cross orders with access to additional crossing order tickets. The port fee applies to connections from users to executing brokers, which provides users with access to an executing broker with connectivity to the Silexx platform for routing. Financial Information eXchange (“FIX”) is an industry-standard, non-proprietary API that permits market participants to connect to exchanges. FIX connectivity provides users with the ability to receive “drop copy” order fill messages from their executing brokers. These fill messages allow customers to update positions, risk calculations, and streamline back-office functions. Additionally, FIX connections can be updated to permit the platform to receive orders sent from another system and then route these orders through the platform for execution (staged orders) as well as provide users with the ability to route orders in various ways to executing brokers (such as designation of a market to which the broker is to route an order received from the platform and use of a broker’s “smart router” functionality). Some users have connections to third-party FIX routers, who currently normalize the format of messages of their client. To the extent a FIX router has a connection to the Silexx platform, users that also have connections to these routers may elect to receive staged orders, drop copies, and order routing functionality through a fix router. Additionally, the Silexx platform permits users to elect to receive daily transmission of equity order reports related to order users submit through the platform. As noted above, the Exchange recently adopted Silexx FLEX and Cboe Silexx. The Exchange wishes to waive the fees for these additional types of functionality² as an incentive to market

² The Exchange is not waiving Additional Functionality fees for API, PULSe Routing Network via Silexx or Market Data. Particularly, the API functionality is not applicable or available for Silexx Flex or Cboe Silexx and the PULSe Network via Silexx fee is already only applicable to non-Silexx (and non-PULSe) workstations. The Exchange lastly does not wish to waive fees for market data.

participants to start or continue using these new Silexx platforms as trading tools on their trading desks.

CAT File Fee

The Exchange next wishes to adopt a fee for CAT Files. Particularly, Silexx intends to make Consolidated Audit Trail (“CAT”)-formatted files available to Silexx users for orders processed by the user via Silexx applications. Users may also elect to have Silexx, which is a CAT Reporter Agent, submit these files to CAT on their behalf. Similar to the fee assessed for Equity Order Reports³, the Exchange proposes to adopt a monthly fee of \$250 per CAT Industry Member ID (“IMID”)⁴, payable by the trading firm for CAT Files. The Exchange also proposes to waive this fee for Silexx FLEX and Cboe Silexx.

The Exchange lastly proposes to eliminate obsolete language in the “Silexx Platform Version” table. Particularly, the notes section provides that: “All users of Basic may be upgraded to Pro at no additional cost through May 31, 2020”. As that date has passed, and the free upgrade is no longer available, the Exchange proposes to delete that language in its entirety to avoid potential confusion.

(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

³ The Equity Order Reports fee is assessed to Silexx users that elect to receive daily transmission of Order Audit Trail System (“OATS”) reports for its orders submitted through their Silexx platform.

⁴ CAT uses the IMID to determine the firm for which data is submitted and to facilitate event linkages within a firm and between venues.

the Exchange and, in particular, the requirements of Section 6(b) of the Act.⁵ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)⁶ requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. Additionally, the Exchange believes the proposed rule change is consistent with Section 6(b)(4) of the Act,⁷ 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.

In particular, the Exchange believes the proposed rule change to waive certain additional functionality fees for Silexx FLEX and Cboe Silexx is reasonable because users using the functionality for these newer platforms would not be subject to such fees. The Exchange believes not assessing these fees for Silexx FLEX and Cboe Silexx also serves as an incentive to market participants to start using these recently adopted Silexx platforms as additional trading tools on their trading desks. Moreover, the Exchange notes that Silexx FLEX and Cboe Silexx are available to all market participants at no cost.⁸ The proposal is

⁵ 15 U.S.C. 78f(b).

⁶ 15 U.S.C. 78f(b)(5).

⁷ 15 U.S.C. 78f(b)(4).

⁸ See Silexx Fees Schedule, Silexx Platform Version Table.

equitable and not unfairly discriminatory as it applies to all users of Silexx FLEX and Cboe Silexx uniformly. Additionally, the Exchange notes that use of each version of the platform, including each type of additional functionality, is discretionary and not compulsory.

The Exchange believes the proposed monthly fee for CAT Files is reasonable as it is the same rate for other similar reports (i.e., Equity Order Reports). Additionally, the Exchange believes the proposed fee is reasonable as the Exchange believes it is substantially lower than the cost assessed by third-party vendors for similar CAT files. The proposal is equitable and not unfairly discriminatory as it applies to all users other than Silexx FLEX and Cboe Silexx. As discussed above, the Exchange believes waiving additional functionality fees, including the proposed fee for CAT files, for Silexx FLEX and Cboe Silexx is reasonable, equitable and not unfairly discriminatory as such platforms are new and the Exchange wishes to incentivize their use to market participants. Finally, the Exchange notes receipt of the CAT files is completely voluntary and not compulsory.

Lastly, the Exchange believes its proposal to eliminate language regarding an outdated free upgrade alleviates potential confusion and maintains clarity in the fees schedule, thereby removing impediments to, and perfecting, the mechanism of a free and open market and a national market system, and, in general, protecting investors and the public interest.

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

Cboe Options does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes that the proposed rule change will not impose any

burden on intramarket competition because the proposed rule changes apply to all similarly situated users of Silexx uniformly. The Exchange notes that each additional type of Silexx functionality, including the new CAT Files, are available to all market participants, and users have discretion to determine which, if any, types of functionality and reports to purchase.

The Exchange does not believe that the proposed rule changes will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because the proposed change applies only to 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 Act⁹ and Rule 19b-4(f)(2)¹⁰ 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

⁹ 15 U.S.C. 78s(b)(3)(A).

¹⁰ 17 CFR 240.19b-4(f)(2).

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-2020-062]

[Insert date]

Self-Regulatory Organizations; Cboe Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to Amend the Silexx Trading Platform (“Silexx” or the “platform”) 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

Cboe Exchange, Inc. (the “Exchange” or “Cboe Options”) proposes to amend the Silexx trading platform (“Silexx” or the “platform”) Fees Schedule. 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

The purpose of this filing is to amend the Silexx Fees Schedule to (1) waive certain fees for FLEX and Cboe Silexx, (2) introduce a new “CAT File” fee and (3) eliminate obsolete references to an expired upgrade opportunity, effective July 1, 2020.

By way of background, the Silexx platform consists of a “front-end” order entry and management trading platform (also referred to as the “Silexx terminal”) for listed stocks and options that supports both simple and complex orders,³ and a “back-end” platform which provides a connection to the infrastructure network. From the Silexx platform (i.e., the collective front-end and back-end platform), a Silexx user has the capability to send option orders to U.S. options exchanges, send stock orders to U.S. stock exchanges (and other trading centers), input parameters to control the size, timing, and other variables of their trades, and also includes access to real-time options and stock market data, as well as access to certain historical data. The Silexx platform is designed so that a user may enter orders into

³ The platform also permits users to submit orders for commodity futures, commodity options and other non-security products to be sent to designated contract markets, futures commission merchants, introducing brokers or other applicable destinations of the users' choice.

the platform to send to an executing broker (including Trading Permit Holders (“TPHs”)) of its choice with connectivity to the platform, which broker will then send the orders to Cboe Options (if the broker is a TPH) or other U.S. exchanges (and trading centers) in accordance with the user’s instructions. With the exception of Silexx FLEX and Cboe Silexx, users cannot directly route orders through any of the current versions of Silexx to an exchange or trading center nor is the platform integrated into or directly connected to Cboe Option’s System. The Exchange recently made available additional versions of the Silexx platform, Silexx FLEX and Cboe Silexx, which do support the trading of FLEX and non-FLEX Options, respectively, and allows authorized Users with direct access to the Exchange. The Silexx front-end and back-end platforms are a software application that are installed locally on a user’s desktop. Silexx grants users licenses to use the platform, and a firm or individual does not need to be a TPH to license the platform. Use of Silexx is completely optional.

Additional Functionality Fee Waiver

The Exchange first proposes to waive the following fees for additional functionality users may purchase for FLEX and Cboe Silexx:

| <u>Additional Functionality</u> for <u>Platforms</u> | <u>Functionality Description</u> | <u>Fee</u> |
|--|---|-------------------------------|
| Crossing | Availability of crossing order ticket | \$300/month/login ID |
| Port | Provides access to an executing broker with connectivity to the Silexx platform for routing | \$100/month/login ID |
| Staged Orders, Drop Copies, and Order Routing Functionality for | Ability to receive staged orders, receive “drop copies” of order fill messages, and route orders to executing brokers | \$250/month/FIX Connection |

FIX Connections (sessions)

| | | |
|--|---|--------------------------------|
| Staged Orders, Drop Copies, and Order Routing Functionality for FIX Connections (sessions) Using Third-Party FIX Router | Ability to receive staged orders, receive “drop copies” of order fill messages, and route orders to executing brokers through a third-party FIX router | \$500/month/ FIX Connection |
|--|---|--------------------------------|

| | | |
|---|--|-----------------------------|
| Equity Order Reports (paid by the trading firm) | Daily transmission of equity order reports | \$250/month/trading firm |
|---|--|-----------------------------|

Particularly, the above additional functionality permits users to add features in accordance with their use of the Silexx platform. The Exchange offers each type of additional functionality as a convenience and use of each type of additional functionality is discretionary and not compulsory. More specifically, the crossing functionality provides users who choose to regularly cross orders with access to additional crossing order tickets. The port fee applies to connections from users to executing brokers, which provides users with access to an executing broker with connectivity to the Silexx platform for routing. Financial Information eXchange (“FIX”) is an industry-standard, non-proprietary API that permits market participants to connect to exchanges. FIX connectivity provides users with the ability to receive “drop copy” order fill messages from their executing brokers. These fill messages allow customers to update positions, risk calculations, and streamline back-office functions. Additionally, FIX connections can be updated to permit the platform to receive orders sent from another system and then route these orders through the platform for execution (staged orders) as well as provide users with the ability to route orders in various ways to executing brokers (such as

designation of a market to which the broker is to route an order received from the platform and use of a broker's "smart router" functionality). Some users have connections to third-party FIX routers, who currently normalize the format of messages of their client. To the extent a FIX router has a connection to the Silexx platform, users that also have connections to these routers may elect to receive staged orders, drop copies, and order routing functionality through a fix router. Additionally, the Silexx platform permits users to elect to receive daily transmission of equity order reports related to order users submit through the platform. As noted above, the Exchange recently adopted Silexx FLEX and Cboe Silexx. The Exchange wishes to waive the fees for these additional types of functionality⁴ as an incentive to market participants to start or continue using these new Silexx platforms as trading tools on their trading desks.

CAT File Fee

The Exchange next wishes to adopt a fee for CAT Files. Particularly, Silexx intends to make Consolidated Audit Trail ("CAT")-formatted files available to Silexx users for orders processed by the user via Silexx applications. Users may also elect to have Silexx, which is a CAT Reporter Agent, submit these files to CAT on their behalf. Similar to the fee assessed for Equity Order Reports⁵, the Exchange proposes to adopt a monthly fee of \$250 per CAT Industry Member ID ("IMID")⁶, payable by the trading

⁴ The Exchange is not waiving Additional Functionality fees for API, PULSe Routing Network via Silexx or Market Data. Particularly, the API functionality is not applicable or available for Silexx Flex or Cboe Silexx and the PULSe Network via Silexx fee is already only applicable to non-Silexx (and non-PULSe) workstations. The Exchange lastly does not wish to waive fees for market data.

⁵ The Equity Order Reports fee is assessed to Silexx users that elect to receive daily transmission of Order Audit Trail System ("OATS") reports for its orders submitted through their Silexx platform.

⁶ CAT uses the IMID to determine the firm for which data is submitted and to

firm for CAT Files. The Exchange also proposes to waive this fee for Silexx FLEX and Cboe Silexx.

The Exchange lastly proposes to eliminate obsolete language in the “Silexx Platform Version” table. Particularly, the notes section provides that: “All users of Basic may be upgraded to Pro at no additional cost through May 31, 2020”. As that date has passed, and the free upgrade is no longer available, the Exchange proposes to delete that language in its entirety to avoid potential confusion.

2. Statutory Basis

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

facilitate event linkages within a firm and between venues.

⁷ 15 U.S.C. 78f(b).

⁸ 15 U.S.C. 78f(b)(5).

⁹ 15 U.S.C. 78f(b)(4).

allocation of reasonable dues, fees, and other charges among its Trading Permit Holders and other persons using its facilities.

In particular, the Exchange believes the proposed rule change to waive certain additional functionality fees for Silexx FLEX and Cboe Silexx is reasonable because users using the functionality for these newer platforms would not be subject to such fees. The Exchange believes not assessing these fees for Silexx FLEX and Cboe Silexx also serves as an incentive to market participants to start using these recently adopted Silexx platforms as additional trading tools on their trading desks. Moreover, the Exchange notes that Silexx FLEX and Cboe Silexx are available to all market participants at no cost.¹⁰ The proposal is equitable and not unfairly discriminatory as it applies to all users of Silexx FLEX and Cboe Silexx uniformly. Additionally, the Exchange notes that use of each version of the platform, including each type of additional functionality, is discretionary and not compulsory.

The Exchange believes the proposed monthly fee for CAT Files is reasonable as it is the same rate for other similar reports (i.e., Equity Order Reports). Additionally, the Exchange believes the proposed fee is reasonable as the Exchange believes it is substantially lower than the cost assessed by third-party vendors for similar CAT files. The proposal is equitable and not unfairly discriminatory as it applies to all users other than Silexx FLEX and Cboe Silexx. As discussed above, the Exchange believes waiving additional functionality fees, including the proposed fee for CAT files, for Silexx FLEX and Cboe Silexx is reasonable, equitable and not unfairly discriminatory as such platforms are new and the Exchange wishes to incentivize their use to market

¹⁰ See Silexx Fees Schedule, Silexx Platform Version Table.

participants. Finally, the Exchange notes receipt of the CAT files is completely voluntary and not compulsory.

Lastly, the Exchange believes its proposal to eliminate language regarding an outdated free upgrade alleviates potential confusion and maintains clarity in the fees schedule, thereby removing impediments to, and perfecting, the mechanism of a free and open market and a national market system, and, in general, protecting investors and the public interest.

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

Cboe Options does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes that the proposed rule change will not impose any burden on intramarket competition because the proposed rule changes apply to all similarly situated users of Silexx uniformly. The Exchange notes that each additional type of Silexx functionality, including the new CAT Files, are available to all market participants, and users have discretion to determine which, if any, types of functionality and reports to purchase.

The Exchange does not believe that the proposed rule changes will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because the proposed change applies only to 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 Act¹¹ and paragraph (f) of Rule 19b-4¹² 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:

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-2020-062 on the subject line.

¹¹ 15 U.S.C. 78s(b)(3)(A).

¹² 17 CFR 240.19b-4(f).

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-2020-062. 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-2020-062 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.¹³

¹³ 17 CFR 200.30-3(a)(12).

Secretary

EXHIBIT 5(Additions are underlined; deletions are [bracketed])**Cboe Exchange, Inc.****Silexx Fees Schedule****(as of [May] July 1, 2020)**

* * * * *

| Silexx Platform Version | Fee Per Month Per Login ID | Notes |
|---|-----------------------------------|--|
| Basic | \$200 | This fee is payable by the user that licenses the platform. |
| Pro | \$400 | |
| Sell-Side | \$475 | |
| Pro Plus Risk | \$600 | Proprietary buy-side firms (e.g. mutual funds, pension funds, and insurance funds) with 25 or more login IDs receive a 15% discount on platform fees (including platform monthly fee and fees for additional functionality for platforms, excluding firms with dedicated instances of the platform). |
| Buy-Side Manager | \$300 | |
| FLEX | \$0.00 | |
| Cboe Silexx | \$0.00 | <p>If a user signs up for a Login ID on any version of the Silexx Platform after the first calendar day of the month, the fee for that calendar month is prorated based on the remaining calendar days in that calendar month.</p> <p>This fee is waived for the first month for any new user firm.</p> <p>[All users of Basic may be upgraded to Pro at no additional cost through May 31, 2020.]</p> |
| Additional Functionality for Platforms | Fee | Notes |
| API | \$200/month/login ID | This fee is payable by the user that licenses the platform. |

| | | |
|---|-------------------------------------|---|
| Crossing | \$300/month/login ID | This fee is payable by the user that licenses the platform. <u>This fee is waived for FLEX and Cboe Silexx.</u> |
| Port | \$100/month/login ID | This fee is payable by the user that licenses the platform. <u>This fee is waived for FLEX and Cboe Silexx.</u> |
| Staged Orders, Drop Copies, and Order Routing Functionality for FIX Connections (Sessions) | \$250/month/FIX Connection | This fee is payable by the user that licenses the platform. <u>This fee is waived for FLEX and Cboe Silexx.</u> |
| Staged Orders, Drop Copies, and Order Routing Functionality for FIX Connections (Sessions) Using Third-Party FIX Router | \$500/month/FIX Connection | This fee is payable by the user that licenses the platform. <u>This fee is waived for FLEX and Cboe Silexx.</u> |
| PULSe Routing Network via Silexx | \$500/month/customer connection | This fee is payable by the trading firm accessing the PULSe Drop Copy Network from a non-PULSe, Non-Silexx workstation for its customers' drop copies. |
| Equity Order Reports | \$250/month/trading firm | This fee is payable by the trading firm for reports related to its own and its customers' executions. <u>This fee is waived for FLEX and Cboe Silexx.</u> |
| <u>CAT Files</u> | <u>\$250/month/IMID</u> | <u>This fee is payable by the trading firm for reports related to its own and its customers' executions. This fee is waived for FLEX and Cboe Silexx.</u> |
| Domestic Index Data Package | \$25/user/month | |
| Market Data Feeds (excluding feeds included in Domestic Index Data Package) | Actual costs passed through to user | Costs will be determined on a time (per hour) and materials basis. |
| Customized Functionality and/or Connectivity | Actual costs passed through to user | Costs will be determined on a time (per hour) and materials basis. |

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