

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 - 2021 - * 002 Amendment No. (req. for Amendments *)
Filing by Cboe C2 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 <input type="checkbox"/> 19b-4(f)(1) <input type="checkbox"/> 19b-4(f)(4) <input type="checkbox"/> 19b-4(f)(2) <input type="checkbox"/> 19b-4(f)(5) <input type="checkbox"/> 19b-4(f)(3) <input checked="" type="checkbox"/> 19b-4(f)(6)
Pilot <input type="checkbox"/> Extension of Time Period for Commission Action * <input type="checkbox"/> Date Expires *		
Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010 Section 806(e)(1) * <input type="checkbox"/> Section 806(e)(2) * <input type="checkbox"/>		Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934 Section 3C(b)(2) * <input type="checkbox"/>
Exhibit 2 Sent As Paper Document <input checked="" type="checkbox"/> Exhibit 3 Sent As Paper Document <input checked="" type="checkbox"/>		
Description Provide a brief description of the action (limit 250 characters, required when Initial is checked *). <div style="border: 1px solid black; padding: 5px; min-height: 40px;"> The Exchange proposes to establish a policy relating to billing errors. </div>		
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. <div style="text-align: right;">(Title *)</div> <div style="display: flex; justify-content: space-between;"> <div> Date 01/22/2021 By Laura G. Dickman (Name *) </div> <div style="border: 1px solid black; padding: 5px; width: 60%;"> VP, Associate General Counsel <div style="border: 1px solid black; padding: 2px; text-align: center; margin-top: 5px;"> Idickman@cboe.com </div> </div> </div>		
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.		

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.

1. Text of the Proposed Rule Change

(a) Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² Cboe C2 Exchange, Inc. (“C2” or the “Exchange”) is filing with the Securities and Exchange Commission (the “Commission”) a proposed rule change to establish a policy relating to billing errors. The Exchange has designated this proposal as non-controversial and provided the Commission with the notice required by Rule 19b-4(f)(6)(iii) under the Act.³

The text of the proposed rule change is provided in Exhibit 5. The text of the proposed rule change is available on the Exchange’s website at <http://markets.cboe.com/>, at the Exchange’s principal office and at the Public Reference Room of the Commission.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

(a) The Exchange’s President (or designee) pursuant to delegated authority approved the proposed rule change on January 13, 2021.

(b) Please refer questions and comments on the proposed rule change to Patrick Sexton, Executive Vice President, General Counsel, and Corporate Secretary, (312) 786-7462, or Corinne Klott, Assistant General Counsel, (312) 786-7793.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 17 CFR 240.19b-4(f)(6)(iii).

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 a provision of its fees schedule which relates to billing errors and fee disputes. The Exchange currently provides that any potential billing errors relating to fees assessed by C2 must be brought to the attention of C2's Accounting Department within three months from the invoice date. Additionally, all fees assessed shall be deemed final and non-refundable after three months from the invoice date. However, the fees schedule further provides that the Exchange is not precluded from assessing fees more than three months after they were incurred if those fees were required to be paid pursuant to the C2 Fee Schedule in effect at the time the fees were incurred. The Exchange proposes to eliminate the current language in the fees schedule and replace it with language recently adopted by its affiliated exchanges.⁴ Particularly, the Exchange proposes to provide: "All fees and rebates assessed prior to the three full calendar months before the month in which the Exchange becomes aware of a billing error shall be considered final. Any dispute concerning fees or rebates billed by the Exchange must be submitted to the Exchange in writing and must be accompanied by supporting documentation."⁵

⁴ See SR-CboeBZX-2020-094; SR-CboeBYX-2020-034; SR-CboeEDGA-2020-032; SR-CboeEDGX-2020-064.

⁵ The current language relating to billing errors and fee disputes is located at the end of the fees schedule. The Exchange proposes to relocate the new language relating to billing errors and fee disputes to the top of the fees schedule.

The proposed language would result in all fees and rebates assessed prior to the three full calendar months before the month in which the Exchange becomes aware of a billing error to be considered final. Particularly, the Exchange will resolve an error by crediting or debiting Trading Permit Holders (“TPHs”) and Non-TPHs based on the fees or rebates that should have been applied in the three full calendar months preceding the month in which the Exchange became aware of the error, including to all impacted transactions that occurred during those months.⁶ The Exchange will apply the three month look back regardless of whether the error was discovered by the Exchange or by a TPH or Non-TPH that submitted a fee dispute to the Exchange. The Exchange will continue to provide all disputes concerning fees and rebates assessed by the Exchange would have to be submitted to the Exchange in writing and accompanied by supporting documentation.

The Exchange notes that the proposed language continues to encourage TPHs and Non-TPHs to promptly review their Exchange invoices so that any disputed charges can be addressed in a timely manner. The Exchange notes that it provides TPHs with both daily and monthly fee reports and thus believes they should be aware of any potential billing errors within three months. Requiring that TPHs and Non-TPHs submit disputes in writing and provide supporting documentation encourages them to promptly review their invoices so that any disputed charges can be addressed in a timely manner while the information

⁶ For example, if the Exchange becomes aware of a transaction fee billing error on January 4, 2021, the Exchange will resolve the error by crediting or debiting Members based on the fees or rebates that should have been applied to any impacted transactions during October, November and December 2020. The Exchange notes that because it bills in arrears, the Exchange would be able to correct the error in advance of issuing the January 2021 invoice and therefore, transactions impacted through the date of discovery (in this example, January 4, 2021) and thereafter, would be billed correctly.

and data underlying those charges (e.g., applicable fees and order information) is still easily and readily available. This practice will avoid issues that may arise when TPHs or Non-TPHs do not dispute an invoice in a timely manner and will conserve Exchange resources that would have to be expended to resolve untimely billing disputes. As such, the requirement continues to alleviate administrative burdens related to billing disputes, which could divert staff resources away from the Exchange's regulatory and business purposes. The proposed rule change to eliminate the requirement that the Exchange assess fees beyond three months if they were required to be assessed pursuant to the fees schedule at the time incurred (i.e., all fees and rebates would be final after three months regardless of how far back a billing error occurred) would provide both the Exchange and TPHs and Non-TPHs finality and the ability to close their books after a known period of time.

The Exchange notes that a number of exchanges have explicitly stated that they consider all fees to be final after a similar period of time.⁷ Additionally, several other exchanges have adopted similar provisions in their rules that provide for a process for their members and non-members to submit fee disputes.⁸ Moreover, the proposed language is identical to the language recently adopted on the Exchange's affiliated exchanges.⁹ As such, the proposed change will also harmonize and conform the Exchange's billing

⁷ See e.g., Securities Exchange Act Release No. 87650 (December 3, 2019), 84 FR 67304 (December 9, 2019) (SR-NYSECHX-2019-024); Securities Exchange Act Release No. 84430 (October 16, 2018), 83 FR 53347 (October 22, 2018) (SR-NYSENAT-2018-23); and Securities Exchange Act Release No. 79060 (October 6, 2016), 81 FR 70716 (October 13, 2016) (SR-ISEGemini-2016-11) .

⁸ See e.g., MEMX LLC, Rule 15.3, IEX Rule 15.120, Nasdaq Rule Equity 7, Section 70, Nasdaq BX Rule Equity 7, Section 111, and Nasdaq PHLX Rule Equity 7, Section 2.

⁹ See supra note 4.

practices with that of its affiliated exchanges. The proposed billing policy will apply to all charges and rebates reflected in the Exchange's fees schedules.

(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.¹⁰ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹¹ 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 the Section 6(b)(5)¹² requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

With respect to the proposed language regarding the billing procedure, the Exchange believes continuing to require the submission of all billing disputes in writing, and with supporting documentation is reasonable because the Exchange provides TPHs with ample tools to monitor and account for various charges incurred in a given month.

¹⁰ 15 U.S.C. 78f(b).

¹¹ 15 U.S.C. 78f(b)(5).

¹² Id.

Additionally, the Exchange notes that most TPHs and Non-TPHs that pay exchange fees are sophisticated entities, so it is appropriate to expect them to promptly review their invoices for errors and to be capable of identifying such errors. The proposed provision also continues to promote the protection of investors and the public interest by providing a clear and concise mechanism for TPH and Non-TPHs to dispute fees and for the Exchange to review such disputes in a timely manner. Moreover, the proposed billing dispute language, which lowers the Exchange's administrative burden, is similar to billing dispute language of other exchanges, and the same as the Exchange's affiliates.¹³ In addition, the billing procedure is fair, equitable, and not unfairly discriminatory because it will apply equally to all TPHs (and Non-TPHs that pay Exchange fees).

The Exchange also believes that providing that all fees and rebates are final after three months (i.e., always resolving billing errors only for the three full calendar months preceding the month in which the Exchange became aware of the error), is reasonable as both the Exchange and TPHs and Non-TPHs have an interest in knowing when its fee assessments are final and when reliance can be placed on those assessments. Indeed, without some deadline on billing errors, the Exchange and TPHs and Non-TPHs would never be able to close their books with any confidence. Furthermore, as noted above, a number of Exchanges similarly consider their fees final after a similar period of time.¹⁴ The proposed change is also equitable, and not unfairly discriminatory because it will apply equally to all TPHs (and Non-TPHs that pay Exchange fees) and apply in cases where

¹³ See supra notes 4 and 8.

¹⁴ See supra notes 4 and 7.

either the TPH (or Non-TPH) discovers the error or the Exchange discovers the error. Lastly, the proposed changes to the fees schedule will align the Exchange's billing practices with those of its affiliated exchanges.

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

The Exchange does not believe that the proposed rule change would impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. With respect to the billing procedure and billing error policy, the proposed rule change would provide a clear process that would apply equally to all TPHs. Additionally, the proposed rule change is similar to rules of other exchanges. The Exchange does not believe such proposed changes would impair the ability of TPHs or competing order execution venues to maintain their competitive standing in the financial markets. Moreover, because the proposed changes would apply equally to all TPHs, the proposal does not impose any burden on competition.

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

No comments were solicited or received on the proposed rule change.

6. Extension of Time Period for Commission Action

Not applicable.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)¹⁵ of the Act and Rule 19b-4(f)(6)¹⁶ thereunder. The proposed rule change effects a change that (A) does not significantly affect the protection of investors or the public interest; (B) does not impose any significant burden on competition; and (C) by its terms, does not become operative for thirty (30) days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest; provided that the self-regulatory organization has given the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission.¹⁷

First, the Exchange notes it does not believe that its proposal raises any new or novel issues that have not been previously considered by the Commission in connection with billing policies of other exchanges, as it's comparable to other policies and practices at other exchanges.¹⁸ The Exchange believes that the proposed rule change will not significantly affect the protection of investors or the public interest because it aligns with practices that are already in place at other exchanges and enables market participants to close their books with confidence. Moreover, the proposed rule change establishes

¹⁵ 15 U.S.C. 78s(b)(3)(A).

¹⁶ 17 CFR 240.19b-4(f)(6).

¹⁷ 17 CFR 240.19b-4(f)(6)(iii).

¹⁸ See supra notes 4, 7 and 8.

common practices that provide for the equitable allocation of reasonable dues, fees, and other charges, and all similarly situated TPHs will be subject to the same fee structure and billing dispute and billing error policies.

The proposed rule change will also benefit investors and the public interest by creating a clear and definitive mechanism for fee disputes. The Exchange also believes that the proposed rule change will not impose any significant burden on competition. The proposed change would establish clear processes for billing disputes and provide finality, which is substantially similar to the rules of other exchanges. Moreover, because the proposed change would not apply differently to distinct types or sizes of market participants, the Exchange does not believe such proposed changes will impair the ability of Members or competing order execution venues to maintain their competitive standing in the financial markets.

For the foregoing reasons, the Exchange believes that this rule filing qualifies for immediate effectiveness as a “non-controversial” rule change under paragraph (f)(6) of Rule 19b-4.¹⁹ At any time within 60 days of the filing of such 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

The Exchange respectfully requests that the Commission waive the 30-day operative delay so that this proposed rule change may become effective and operative upon filing with the Commission pursuant to Section 19(b)(3)(A) of the Act and subparagraph

¹⁹ 17 CFR 240.19b-4(f)(6).

(f)(6) of Rule 19b4 thereunder. The Exchange believes that such waiver would be consistent with the protection of investors and the public interest because the waiver of the operative delay would allow TPHs and Non-TPHs to immediately benefit from having a defined process for billing disputes and provide certainty and finality to current and prospective billing errors. Moreover, as noted above, the proposal does not raise any new or novel issues that have not been already been considered by the Commission. Particularly, the proposed rule changes are comparable to other policies and practices that are already established at other exchanges.²⁰ Finally, the Exchange notes the Commission has considered, and granted, waivers in the past for similar rule changes.²¹

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

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

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

Not applicable.

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

Not applicable.

²⁰ See supra notes 4, 7 and 8.

²¹ See e.g. Securities Exchange Act Release No. 87650 (December 3, 2019), 84 FR 67304 (December 9, 2019) (SR-NYSECHX-2019-024).

11. Exhibits

Exhibit 1: Form of Notice of Proposed Rule Change for Federal Register.

Exhibit 2-4: Not applicable.

Exhibit 5: Text of the Proposed Rule Change.

EXHIBIT 1**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34- ; File No. SR-C2-2021-002]

[Insert date]

Self-Regulatory Organizations; Cboe C2 Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Establish a Policy Relating to Billing Errors

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 C2 Exchange, Inc. (the “Exchange” or “C2”) 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 Exchange filed the proposal as a “non-controversial” proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act³ and Rule 19b-4(f)(6) thereunder.⁴ 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 C2 Exchange, Inc. (“C2” or the “Exchange”) is filing with the Securities and Exchange Commission (the “Commission”) a proposed rule change to establish a policy relating to billing errors. The Exchange has designated this proposal as non-controversial and provided the Commission with the notice required by Rule 19b-4(f)(6)(iii) under the Act.⁵

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(iii).

⁴ 17 CFR 240.19b-4(f)(6).

⁵ 17 CFR 240.19b-4(f)(6)(iii).

The text of the proposed rule change is provided in Exhibit 5. The text of the proposed rule change is available on the Exchange's website at <http://markets.cboe.com/>, at the Exchange's principal office and at the Public Reference Room of the Commission.

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 Exchange proposes to amend a provision of its fees schedule which relates to billing errors and fee disputes. The Exchange currently provides that any potential billing errors relating to fees assessed by C2 must be brought to the attention of C2's Accounting Department within three months from the invoice date. Additionally, all fees assessed shall be deemed final and non-refundable after three months from the invoice date. However, the fees schedule further provides that the Exchange is not precluded from assessing fees more than three months after they were incurred if those fees were required to be paid pursuant to the C2 Fee Schedule in effect at the time the fees were incurred. The Exchange proposes to eliminate the current language in the fees schedule and replace it with language recently adopted by its affiliated exchanges.⁶ Particularly,

⁶ See SR-CboeBZX-2020-094; SR-CboeBYX-2020-034; SR-CboeEDGA-2020-032; SR-CboeEDGX-2020-064.

the Exchange proposes to provide: “All fees and rebates assessed prior to the three full calendar months before the month in which the Exchange becomes aware of a billing error shall be considered final. Any dispute concerning fees or rebates billed by the Exchange must be submitted to the Exchange in writing and must be accompanied by supporting documentation.”⁷

The proposed language would result in all fees and rebates assessed prior to the three full calendar months before the month in which the Exchange becomes aware of a billing error to be considered final. Particularly, the Exchange will resolve an error by crediting or debiting Trading Permit Holders (“TPHs”) and Non-TPHs based on the fees or rebates that should have been applied in the three full calendar months preceding the month in which the Exchange became aware of the error, including to all impacted transactions that occurred during those months.⁸ The Exchange will apply the three month look back regardless of whether the error was discovered by the Exchange or by a TPH or Non-TPH that submitted a fee dispute to the Exchange. The Exchange will continue to provide all disputes concerning fees and rebates assessed by the Exchange would have to be submitted to the Exchange in writing and accompanied by supporting documentation.

⁷ The current language relating to billing errors and fee disputes is located at the end of the fees schedule. The Exchange proposes to relocate the new language relating to billing errors and fee disputes to the top of the fees schedule.

⁸ For example, if the Exchange becomes aware of a transaction fee billing error on January 4, 2021, the Exchange will resolve the error by crediting or debiting Members based on the fees or rebates that should have been applied to any impacted transactions during October, November and December 2020. The Exchange notes that because it bills in arrears, the Exchange would be able to correct the error in advance of issuing the January 2021 invoice and therefore, transactions impacted through the date of discovery (in this example, January 4, 2021) and thereafter, would be billed correctly.

The Exchange notes that the proposed language continues to encourage TPHs and Non-TPHs to promptly review their Exchange invoices so that any disputed charges can be addressed in a timely manner. The Exchange notes that it provides TPHs with both daily and monthly fee reports and thus believes they should be aware of any potential billing errors within three months. Requiring that TPHs and Non-TPHs submit disputes in writing and provide supporting documentation encourages them to promptly review their invoices so that any disputed charges can be addressed in a timely manner while the information and data underlying those charges (e.g., applicable fees and order information) is still easily and readily available. This practice will avoid issues that may arise when TPHs or Non-TPHs do not dispute an invoice in a timely manner and will conserve Exchange resources that would have to be expended to resolve untimely billing disputes. As such, the requirement continues to alleviate administrative burdens related to billing disputes, which could divert staff resources away from the Exchange's regulatory and business purposes. The proposed rule change to eliminate the requirement that the Exchange assess fees beyond three months if they were required to be assessed pursuant to the fees schedule at the time incurred (i.e., all fees and rebates would be final after three months regardless of how far back a billing error occurred) would provide both the Exchange and TPHs and Non-TPHs finality and the ability to close their books after a known period of time.

The Exchange notes that a number of exchanges have explicitly stated that they consider all fees to be final after a similar period of time.⁹ Additionally, several other

⁹ See e.g. Securities Exchange Act Release No. 87650 (December 3, 2019), 84 FR 67304 (December 9, 2019) (SR-NYSECHX-2019-024); Securities Exchange Act Release No. 84430 (October 16, 2018), 83 FR 53347 (October 22, 2018) (SR-

exchanges have adopted similar provisions in their rules that provide for a process for their members and non-members to submit fee disputes.¹⁰ Moreover, the proposed language is identical to the language recently adopted on the Exchange's affiliated exchanges.¹¹ As such, the proposed change will also harmonize and conform the Exchange's billing practices with that of its affiliated exchanges. The proposed billing policy will apply to all charges and rebates reflected in the Exchange's fees schedules.

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.¹² 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. Additionally, the Exchange believes the proposed rule change is consistent with

NYSENAT-2018-23); and Securities Exchange Act Release No. 79060 (October 6, 2016), 81 FR 70716 (October 13, 2016) (SR-ISEGemini-2016-11) .

¹⁰ See e.g., MEMX LLC, Rule 15.3, IEX Rule 15.120, Nasdaq Rule Equity 7, Section 70, Nasdaq BX Rule Equity 7, Section 111, and Nasdaq PHLX Rule Equity 7, Section 2.

¹¹ See supra note 6.

¹² 15 U.S.C. 78f(b).

¹³ 15 U.S.C. 78f(b)(5).

the Section 6(b)(5)¹⁴ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

With respect to the proposed language regarding the billing procedure, the Exchange believes continuing to require the submission of all billing disputes in writing, and with supporting documentation is reasonable because the Exchange provides TPHs with ample tools to monitor and account for various charges incurred in a given month. Additionally, the Exchange notes that most TPHs and Non-TPHs that pay exchange fees are sophisticated entities, so it is appropriate to expect them to promptly review their invoices for errors and to be capable of identifying such errors. The proposed provision also continues to promote the protection of investors and the public interest by providing a clear and concise mechanism for TPH and Non-TPHs to dispute fees and for the Exchange to review such disputes in a timely manner. Moreover, the proposed billing dispute language, which lowers the Exchange's administrative burden, is similar to billing dispute language of other exchanges, and the same as the Exchange's affiliates.¹⁵ In addition, the billing procedure is fair, equitable, and not unfairly discriminatory because it will apply equally to all TPHs (and Non-TPHs that pay Exchange fees).

The Exchange also believes that providing that all fees and rebates are final after three months (i.e., always resolving billing errors only for the three full calendar months preceding the month in which the Exchange became aware of the error), is reasonable as both the Exchange and TPHs and Non-TPHs have an interest in knowing when its fee assessments are final and when reliance can be placed on those assessments. Indeed, without some deadline on billing errors, the Exchange and TPHs and Non-TPHs would

¹⁴ Id.

¹⁵ See supra notes 6 and 10.

never be able to close their books with any confidence. Furthermore, as noted above, a number of Exchanges similarly consider their fees final after a similar period of time.¹⁶ The proposed change is also equitable, and not unfairly discriminatory because it will apply equally to all TPHs (and Non-TPHs that pay Exchange fees) and apply in cases where either the TPH (or Non-TPH) discovers the error or the Exchange discovers the error. Lastly, the proposed changes to the fees schedule will align the Exchange's billing practices with those of its affiliated exchanges.

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

The Exchange does not believe that the proposed rule change would impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. With respect to the billing procedure and billing error policy, the proposed rule change would provide a clear process that would apply equally to all TPHs. Additionally, the proposed rule change is similar to rules of other exchanges. The Exchange does not believe such proposed changes would impair the ability of TPHs or competing order execution venues to maintain their competitive standing in the financial markets. Moreover, because the proposed changes would apply equally to all TPHs, the proposal does not impose any burden on competition.

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

No comments were solicited or received on the proposed rule change.

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

Because the foregoing proposed rule change does not:

¹⁶ See supra notes 6 and 9.

A. significantly affect the protection of investors or the public interest;

B. impose any significant burden on competition; and

C. become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate,

it has become effective pursuant to Section 19(b)(3)(A) of the Act¹⁷ and Rule 19b-4(f)(6)¹⁸ 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-C2-2021-002 on the subject line.

¹⁷ 15 U.S.C. 78s(b)(3)(A).

¹⁸ 17 CFR 240.19b-4(f)(6).

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-C2-2021-002. 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-C2-2021-002 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.¹⁹

¹⁹ 17 CFR 200.30-3(a)(12).

Secretary

EXHIBIT 5

(additions are underlined; deletions are [bracketed])

* * * * *

Cboe C2 Options Exchange Fees Schedule
Effective [September 1]January 22, 2021]

All fees and rebates assessed prior to the three full calendar months before the month in which the Exchange becomes aware of a billing error shall be considered final. Any dispute concerning fees or rebates billed by the Exchange must be submitted to the Exchange in writing and must be accompanied by supporting documentation.

* * * * *

Cboe LiveVol, LLC Market Data Fees:

* * * * *

[Any potential billing errors relating to fees assessed by C2 must be brought to the attention of C2's Accounting Department within three months from the invoice date. All fees assessed shall be deemed final and non-refundable after three months from the invoice date. The Exchange is not precluded from assessing fees more than three months after they were incurred if those fees were required to be paid pursuant to the C2 Fees Schedule in effect at the time the fees were incurred.]

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