

Required fields are shown with yellow backgrounds and asterisks.

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"/>
Pilot <input type="checkbox"/>			Rule		
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	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 806(e)(1) * <input type="checkbox"/>	Section 806(e)(2) * <input type="checkbox"/>
	Section 3C(b)(2) * <input type="checkbox"/>

Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
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**Description**  
 Provide a brief description of the action (limit 250 characters, required when Initial is checked \*).  
 The Exchange proposes to 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 \* Sarah      Last Name \* Tadtman  
 Title \* Counsel  
 E-mail \* stadtman@cboe.com  
 Telephone \* (913) 815-7203      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 01/04/2021      VP, Associate General Counsel  
 By Laura G. Dickman      (Name \*)  
 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.  
 Idickman@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 \***

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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

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

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 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) pursuant to delegated authority approved the proposed rule change on December 24, 2020.

(b) Please refer questions and comments on the proposed rule change to Pat Sexton, Executive Vice President, General Counsel, and Corporate Secretary, (312) 786-7467, or Sarah Tadtman, Counsel, (913) 815-7203.

**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 adopt “drop copy” and order routing fees for a recently adopted Silexx platform (“Cboe Silexx”), effective January 4, 2021.

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,<sup>1</sup> 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

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<sup>1</sup> 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.

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. Historically, users could not directly route orders through any of the then-current versions of Silexx to an exchange or trading center nor was the platform integrated into or directly connected to Cboe Option’s System. In 2019, the Exchange made available an additional version of the Silexx platform, Silexx FLEX, which supports the trading of FLEX Options and allows authorized Users with direct access to the Exchange.<sup>2</sup> Most recently, the Exchange made a new version of the Silexx platform available, Cboe Silexx, which supports the trading of non-FLEX Options and allows authorized Users with direct access to the Exchange.<sup>3</sup> The Silexx front-end and back-end platforms are a software application that is 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 any version of the Silexx platform is completely optional.

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<sup>2</sup> See Securities Exchange Act Release No. 87028 (September 19, 2019) 84 FR 50529 (September 25, 2019) (SR-CBOE-2019-061).

<sup>3</sup> See Securities Exchange Act Release No. 88741 (April 24, 2020) 85 FR 24045 (April 30, 2020) (SR-CBOE-2020-040).

Currently, TPH or non-TPH market participants may receive order fill messages<sup>4</sup> (i.e., drop copies) from their Silexx Brokers via the PULSe drop copy network. However, on January 4, 2021, the Exchange plans to migrate such functionality to Cboe Silexx in conjunction with the planned decommission of the PULSe Trader Workstation. At that time, TPH or non-TPH market participants may instead receive drop copies via the Cboe Silexx Platform. As a result, the Exchange proposes to adopt certain drop copy fees from the Cboe Options Fees Schedule to the Silexx Fees Schedule with certain modifications. Additionally, the Exchange is proposing to adopt a fee for order routing via Financial Information eXchange (“FIX”) into Cboe Silexx, and to replace the PULSe Routing Network via Silexx fee with a Cboe Silexx Routing Network fee.

The Exchange proposes to eliminate the PULSe Routing Network via Silexx fee from the Silexx Fees Schedule, which sets forth a fee for trading firms accessing the PULSe drop copy network from a non-PULSe, non-Silexx workstation for its customers’ drop copies. Instead, the Exchange is proposing to adopt a fee for accessing the Silexx routing network to or from a non-Cboe Silexx workstation for order routing or drop copies. The proposed fee is \$500 per month payable by the customer accessing the Silexx routing network on a per connection basis, and is similar to the existing PULSe Routing Network via Silexx fee that the Exchange is proposing to eliminate, with the exception that the proposed fee references the Silexx routing network rather than the PULSe Drop Copy Network and eliminates the reference to a non-PULSe workstation for order routing or drop copies. Further, the proposed fee is equal to the existing PULSe Routing Network via Silexx fee (i.e., \$500 per month per customer connection).

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<sup>4</sup> These fill messages allow customers to update positions, risk calculations, and streamline back-office functions.

Second, the Exchange proposes to adopt a fee for drop copies received by a TPH customer via Cboe Silexx. The proposed fee is \$425 per month payable by the TPH customer receiving the drop copies, unless otherwise directed by the TPH broker. Specifically, for each Cboe Silexx-using TPH broker that provides a TPH customer drop copies, such receiving TPH customer incurs a fee of \$425 per month. The proposed fee is substantially similar to a fee charged to a PULSe-using TPH broker that provides a TPH customer drop copies via a PULSe workstation. The only difference between the proposed fee and the existing fee pertaining to PULSe users is that the TPH broker may direct that the fee be assessed to itself rather than the TPH customer receiving the drop copies. However, the TPH customer will be ultimately responsible for the fee.

Third, the Exchange proposes to adopt a drop copy payable by the TPH broker sending the drop copies to its non-TPH customers, unless otherwise directed by the TPH broker. Specifically, for each non-TPH Cboe Silexx-using customer for which a TPH broker provides drop copies, the TPH broker will incur a fee of \$0.02/contract with a fee cap of \$400 per month for each non-TPH customer to which the TPH broker sends drop copies. The proposed fee is substantially similar to the fee applied to drop copies received by a non-TPH customer via a PULSe workstation with one difference. Like the proposed fee for drop copies received by a TPH customer, the TPH broker may direct that the applicable fee be assessed to its customer rather than itself. However, the TPH broker will be ultimately responsible for the fee.

Lastly, the Exchange proposes to adopt a fee for orders routed via FIX into Cboe Silexx. Particularly, the Exchange proposes to adopt a fee for each TPH broker to whom a TPH customer using a non-Cboe Silexx workstation sends orders electronically to a

TPH broker's Silexx workstation. The proposed fee is \$500 per month for each TPH broker with a Silexx workstation to which the TPH customer sends orders. The proposed fee is substantially similar to the existing Non-PULSe-to-PULSe Routing (sent by TPH customers) fee set forth in the Cboe Fees Schedule with two differences. First, like the proposed fees discussed above, the TPH broker may direct the applicable fee be assessed to its customer rather than itself. However, the TPH broker will be ultimately responsible for the fee. Second, the Exchange is not proposing to adopt the provision that TPH customers who request FIX order routing into Cboe Silexx will also receive drop copies from its TPH brokers and must pay the monthly drop copy fee in addition to the in-bound addition fee.

(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.<sup>5</sup> Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)<sup>6</sup> 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

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<sup>5</sup> 15 U.S.C. 78f(b).

<sup>6</sup> 15 U.S.C. 78f(b)(5).

the Section 6(b)(5)<sup>7</sup> requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers. Additionally, the Exchange also believes the proposed rule change is consistent with Section 6(b)(4) of the Act,<sup>8</sup> which requires that Exchange rules provide for the equitable allocation of reasonable dues, fees, and other charges among its TPHs and other persons using its facilities.

The Exchange believes that its proposed fees are reasonable and appropriate as they are substantially similar with fees set forth in the Cboe Exchange Fees Schedule applicable to the PULSe workstation, which is a substantially similar order entry and management system to Silexx.<sup>9</sup> Despite certain differences in the proposed fees from the existing fees applicable to PULSe workstations, the Exchange believes that the proposed fees are reasonable for the following reasons. First, the proposed Cboe Silexx Routing Network fee would provide trading firms the ability to access the Cboe Silexx Routing Network to or from a non-Cboe Silexx workstation for not only drop copies, but also for order routing. Further, the proposed fee is equal to the existing PULSe Routing Network via Silexx fee despite that it provides order routing functionality in addition to drop copies. Second, while the proposed Drop Copy (received by TPH customer from Cboe Silexx) and Drop Copy (received by non-TPH customer) from Cboe Silexx fees provide that the TPH broker may direct the applicable fee be payable by itself or its customer, as

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<sup>7</sup> Id.

<sup>8</sup> 15 U.S.C. 78f(b)(4).

<sup>9</sup> See Cboe Options Fees Schedule, which provides for a PULSe workstation drop copy (received by TPH customer) fee of \$425 per month, a drop copy (received by non-TPH customer) fee of \$0.02 per contract capped at \$400 per month, and a Non-PULSe-to-PULSe Routing (sent by TPH customers) fee of \$500 per month.

applicable, the proposal may simplify and streamline billing for TPH brokers and their customers. Lastly, the proposed FIX order routing into Cboe Silexx fee differs from the Non-PULSe-to-PULSe Routing (sent by TPH customers) fee currently provided in the Cboe Options Fee Schedule as it does not provide that TPH customers requesting such order routing functionality will receive drop copies from its TPH brokers and must pay the monthly drop copy fee in addition to the in-bound addition fee. The Exchange believes it is reasonable not to include such language as it is no longer applicable.

Additionally, as discussed, use of drop copy functionality and FIX order routing into Cboe Silexx is discretionary and not compulsory. Indeed, Users can choose to route orders, including to Cboe Options, and receive drop copies without the use of the platform. The Exchange is making the platform available as a convenience to market participants, who will continue to have the option to use any order entry and management system available in the marketplace to send orders to the Exchange and other exchanges; the platform is merely an alternative that will be offered by the Exchange. The Exchange believes the proposed fees are equitable and not unfairly discriminatory because they apply to all market participants uniformly.

**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 competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed change will not impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because it relates to optional services on an optional platform. The proposed fees will apply to similarly situated participants uniformly. Also as discussed, the use of the platform and the drop copy services will be completely voluntary and market participants will continue

to have the flexibility to use any order entry and management tool that is proprietary or from third-party vendors, and/or market participants may choose any executing brokers to enter their orders and receive drop copies. Cboe Silexx is not an exclusive means of order routing or to receive drop copies, and if market participants believe that other products, vendors, front-end builds, etc. available in the marketplace are more beneficial than the Cboe Silexx platform, they may simply use those products instead. Use of such functionality is completely voluntary.

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 changes are substantially similar to fees applicable to the PULSe workstation, which is a substantially similar order entry and management system and which is migrating to Cboe Silexx in conjunction with the planned decommission of the PULSe Trader Workstation on January 4, 2021. 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 Act<sup>10</sup> and Rule 19b-4(f)(2)<sup>11</sup> 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 fee changes are substantially similar to existing fees on Cboe Options Fee Schedule applicable to the PULSe workstation, which the Exchange plans to migrate to Cboe Silexx in conjunction with the planned decommission of the PULSe Trader Workstation on January 4, 2021.

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<sup>10</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>11</sup> 17 CFR 240.19b-4(f)(2).

The proposed Cboe Silexx Routing Network fee is similar to the PULSe Routing Network via Silexx fee that the Exchange is proposing to eliminate in the Silexx Fee Schedule, except that the proposed fee would provide that a trading firm could use the Cboe Silexx routing network for order routing in addition to drop copies. While the proposal offers additional functionality (i.e., order routing), the proposed fee is equal to the current PULSe Routing Network via Silexx fee. Given this, the Exchange believes the proposal is reasonable.

The proposed Drop Copy (received by TPH customer) and Drop Copy (received by non-TPH customer) fees are substantially similar to fees by the same name set forth in the Cboe Options Fees Schedule. The difference in the proposed fees as compared to the fees applicable to the PULSe workstation are as follows. Each of the two proposed fees provide that the TPH broker may direct to whom (i.e., the TPH broker or its customer) the fee is payable. The Exchange does not believe the difference is material as it may simplify and streamline billing for TPH brokers and their customers.

The FIX order routing into Cboe Silexx fee is substantially similar to the Non-PULSe-to-PULSe Routing (sent by TPH customers) fee provided in the Cboe Options Fees Schedule. However, the proposed FIX order routing into Cboe Silexx fee does not provide that “a TPH customer who requests FIX order routing into Cboe Silexx will also receive drop copies from its TPH brokers and must pay the monthly drop copy fee in addition to the in-bound addition fee.” The Exchange does not believe this difference is material as it is simply eliminating a provision that is no longer applicable.

**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-2021-002]

[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”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> 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.

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 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 Exchange proposes to adopt “drop copy” and order routing fees for a recently adopted Silexx platform (“Cboe Silexx”), effective January 4, 2021.

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,<sup>3</sup> 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 the platform to send to an executing broker (including

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<sup>3</sup> 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.

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. Historically, users could not directly route orders through any of the then-current versions of Silexx to an exchange or trading center nor was the platform integrated into or directly connected to Cboe Option’s System. In 2019, the Exchange made available an additional version of the Silexx platform, Silexx FLEX, which supports the trading of FLEX Options and allows authorized Users with direct access to the Exchange.<sup>4</sup> Most recently, the Exchange made a new version of the Silexx platform available, Cboe Silexx, which supports the trading of non-FLEX Options and allows authorized Users with direct access to the Exchange.<sup>5</sup> The Silexx front-end and back-end platforms are a software application that is 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 any version of the Silexx platform is completely optional.

Currently, TPH or non-TPH market participants may receive order fill messages<sup>6</sup> (i.e., drop copies) from their Silexx Brokers via the PULSe drop copy network. However, on January 4, 2021, the Exchange plans to migrate such functionality to Cboe Silexx in conjunction with the planned decommission of the PULSe Trader Workstation. At that time, TPH or non-TPH market participants may instead receive drop copies via the Cboe

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<sup>4</sup> See Securities Exchange Act Release No. 87028 (September 19, 2019) 84 FR 50529 (September 25, 2019) (SR-CBOE-2019-061).

<sup>5</sup> See Securities Exchange Act Release No. 88741 (April 24, 2020) 85 FR 24045 (April 30, 2020) (SR-CBOE-2020-040).

<sup>6</sup> These fill messages allow customers to update positions, risk calculations, and streamline back-office functions.

Silexx Platform. As a result, the Exchange proposes to adopt certain drop copy fees from the Cboe Options Fees Schedule to the Silexx Fees Schedule with certain modifications. Additionally, the Exchange is proposing to adopt a fee for order routing via Financial Information eXchange (“FIX”) into Cboe Silexx, and to replace the PULSe Routing Network via Silexx fee with a Cboe Silexx Routing Network fee.

The Exchange proposes to eliminate the PULSe Routing Network via Silexx fee from the Silexx Fees Schedule, which sets forth a fee for trading firms accessing the PULSe drop copy network from a non-PULSe, non-Silexx workstation for its customers’ drop copies. Instead, the Exchange is proposing to adopt a fee for accessing the Silexx routing network to or from a non-Cboe Silexx workstation for order routing or drop copies. The proposed fee is \$500 per month payable by the customer accessing the Silexx routing network on a per connection basis, and is similar to the existing PULSe Routing Network via Silexx fee that the Exchange is proposing to eliminate, with the exception that the proposed fee references the Silexx routing network rather than the PULSe Drop Copy Network and eliminates the reference to a non-PULSe workstation for order routing or drop copies. Further, the proposed fee is equal to the existing PULSe Routing Network via Silexx fee (i.e., \$500 per month per customer connection).

Second, the Exchange proposes to adopt a fee for drop copies received by a TPH customer via Cboe Silexx. The proposed fee is \$425 per month payable by the TPH customer receiving the drop copies, unless otherwise directed by the TPH broker. Specifically, for each Cboe Silexx-using TPH broker that provides a TPH customer drop copies, such receiving TPH customer incurs a fee of \$425 per month. The proposed fee is substantially similar to a fee charged to a PULSe-using TPH broker that provides a TPH

customer drop copies via a PULSe workstation. The only difference between the proposed fee and the existing fee pertaining to PULSe users is that the TPH broker may direct that the fee be assessed to itself rather than the TPH customer receiving the drop copies. However, the TPH customer will be ultimately responsible for the fee.

Third, the Exchange proposes to adopt a drop copy payable by the TPH broker sending the drop copies to its non-TPH customers, unless otherwise directed by the TPH broker. Specifically, for each non-TPH Cboe Silexx-using customer for which a TPH broker provides drop copies, the TPH broker will incur a fee of \$0.02/contract with a fee cap of \$400 per month for each non-TPH customer to which the TPH broker sends drop copies. The proposed fee is substantially similar to the fee applied to drop copies received by a non-TPH customer via a PULSe workstation with one difference. Like the proposed fee for drop copies received by a TPH customer, the TPH broker may direct that the applicable fee be assessed to its customer rather than itself. However, the TPH broker will be ultimately responsible for the fee.

Lastly, the Exchange proposes to adopt a fee for orders routed via FIX into Cboe Silexx. Particularly, the Exchange proposes to adopt a fee for each TPH broker to whom a TPH customer using a non-Cboe Silexx workstation sends orders electronically to a TPH broker's Silexx workstation. The proposed fee is \$500 per month for each TPH broker with a Silexx workstation to which the TPH customer sends orders. The proposed fee is substantially similar to the existing Non-PULSe-to-PULSe Routing (sent by TPH customers) fee set forth in the Cboe Fees Schedule with two differences. First, like the proposed fees discussed above, the TPH broker may direct the applicable fee be assessed to its customer rather than itself. However, the TPH broker will be ultimately responsible

for the fee. Second, the Exchange is not proposing to adopt the provision that TPH customers who request FIX order routing into Cboe Silexx will also receive drop copies from its TPH brokers and must pay the monthly drop copy fee in addition to the in-bound addition fee.

## 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.<sup>7</sup> Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)<sup>8</sup> 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)<sup>9</sup> requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers. Additionally, the Exchange also believes the proposed rule change is consistent with Section 6(b)(4) of the Act,<sup>10</sup> which requires that Exchange rules provide for the equitable allocation of

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<sup>7</sup> 15 U.S.C. 78f(b).

<sup>8</sup> 15 U.S.C. 78f(b)(5).

<sup>9</sup> Id.

<sup>10</sup> 15 U.S.C. 78f(b)(4).

reasonable dues, fees, and other charges among its TPHs and other persons using its facilities.

The Exchange believes that its proposed fees are reasonable and appropriate as they are substantially similar with fees set forth in the Cboe Exchange Fees Schedule applicable to the PULSe workstation, which is a substantially similar order entry and management system to Silexx.<sup>11</sup> Despite certain differences in the proposed fees from the existing fees applicable to PULSe workstations, the Exchange believes that the proposed fees are reasonable for the following reasons. First, the proposed Cboe Silexx Routing Network fee would provide trading firms the ability to access the Cboe Silexx Routing Network to or from a non-Cboe Silexx workstation for not only drop copies, but also for order routing. Further, the proposed fee is equal to the existing PULSe Routing Network via Silexx fee despite that it provides order routing functionality in addition to drop copies. Second, while the proposed Drop Copy (received by TPH customer from Cboe Silexx) and Drop Copy (received by non-TPH customer) from Cboe Silexx fees provide that the TPH broker may direct the applicable fee be payable by itself or its customer, as applicable, the proposal may simplify and streamline billing for TPH brokers and their customers. Lastly, the proposed FIX order routing into Cboe Silexx fee differs from the Non-PULSe-to-PULSe Routing (sent by TPH customers) fee currently provided in the Cboe Options Fee Schedule as it does not provide that TPH customers requesting such order routing functionality will receive drop copies from its TPH brokers and must pay

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<sup>11</sup> See Cboe Options Fees Schedule, which provides for a PULSe workstation drop copy (received by TPH customer) fee of \$425 per month, a drop copy (received by non-TPH customer) fee of \$0.02 per contract capped at \$400 per month, and a Non-PULSe-to-PULSe Routing (sent by TPH customers) fee of \$500 per month.

the monthly drop copy fee in addition to the in-bound addition fee. The Exchange believes it is reasonable not to include such language as it is no longer applicable.

Additionally, as discussed, use of drop copy functionality and FIX order routing into Cboe Silexx is discretionary and not compulsory. Indeed, Users can choose to route orders, including to Cboe Options, and receive drop copies without the use of the platform. The Exchange is making the platform available as a convenience to market participants, who will continue to have the option to use any order entry and management system available in the marketplace to send orders to the Exchange and other exchanges; the platform is merely an alternative that will be offered by the Exchange. The Exchange believes the proposed fees are equitable and not unfairly discriminatory because they apply to all market participants uniformly.

**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 competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed change will not impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because it relates to optional services on an optional platform. The proposed fees will apply to similarly situated participants uniformly. Also as discussed, the use of the platform and the drop copy services will be completely voluntary and market participants will continue to have the flexibility to use any order entry and management tool that is proprietary or from third-party vendors, and/or market participants may choose any executing brokers to enter their orders and receive drop copies. Cboe Silexx is not an exclusive means of order routing or to receive drop copies, and if market participants believe that other products, vendors, front-end builds, etc. available in the marketplace are more beneficial than the

Cboe Silexx platform, they may simply use those products instead. Use of such functionality is completely voluntary.

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 changes are substantially similar to fees applicable to the PULSe workstation, which is a substantially similar order entry and management system and which is migrating to Cboe Silexx in conjunction with the planned decommission of the PULSe Trader Workstation on January 4, 2021. 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 Act<sup>12</sup> and paragraph (f) of Rule 19b-4<sup>13</sup> 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

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<sup>12</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>13</sup> 17 CFR 240.19b-4(f).

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](mailto:rule-comments@sec.gov). Please include File Number SR-CBOE-2021-002 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-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-CBOE-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.<sup>14</sup>

Secretary

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<sup>14</sup> 17 CFR 200.30-3(a)(12).

## EXHIBIT 5

(additions are underlined; deletions are [bracketed])**Cboe Exchange, Inc.****Silexx Fees Schedule**(as of [October 1, 2020]January 4, 2021)

\* \* \* \* \*

Silexx Platform Version	Fee Per Month Per Login ID	Notes
* * * * *		
[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.]
<u>Cboe Silexx Routing Network</u>	<u>\$500/month/customer connection</u>	<u>This fee is payable by the trading firm accessing the Silexx Routing Network to/from a non-Cboe Silexx workstation for order routing or drop copies.</u>
<u>Drop Copy (received by TPH customer) from Cboe Silexx</u>	<u>\$425/month (per sending TPH)</u>	<u>This fee is payable by a TPH customer receiving drop copies, unless otherwise directed by the TPH broker. The fee is \$425/month for each TPH broker that sends the TPH customer drop copies via Cboe Silexx.</u>
<u>Drop Copy (received by non-TPH customer) from Cboe Silexx</u>	<u>\$0.02/contract (capped at \$400/month per receiving non-TPH)</u>	<u>This fee is payable by a TPH broker sending drop copies, unless otherwise directed by the TPH broker. The fee is capped at \$400/month for each non-TPH customer to which the TPH broker sends drop copies via Cboe Silexx.</u>
<u>FIX order routing into Cboe Silexx</u>	<u>\$500/month (per receiving TPH)</u>	<u>This fee is payable by a TPH customer, unless otherwise directed by the TPH Broker, using a non-Silexx workstation to send orders electronically to a TPH broker's Silexx workstation. The fee is \$500/month for each TPH broker with a Silexx workstation to which the TPH customer sends orders.</u>
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