Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 33

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

File No. * SR 2024 - * 012
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) *
✓	☐	☐	☐	✓	☐

Pilot	Extension of Time Period for Commission Action *	Date Expires *
☐	☐	

Rule

☐ 19b-4(f)(1)	☐ 19b-4(f)(4)
✓ 19b-4(f)(2)	☐ 19b-4(f)(5)
☐ 19b-4(f)(3)	☐ 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 its Fees Schedule.

Contact Information

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name * Sarah
Last Name * Williams
Title * Senior Counsel
E-mail * swilliams@cboe.com
Telephone * (224) 461-6793
Fax

Signature

Pursuant to the requirements of the Securities Exchange of 1934, Cboe Exchange, Inc.
has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

Date 03/05/2024

By Laura G. Dickman
(Name *)

(Title *)
VP, Associate General Counsel

NOTE: Clicking the signature block at right will initiate digitally signing the form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

Laura Dickman
Date: 2024.03.05 10:26:23 -06'00'

Required fields are shown with yellow backgrounds and astericks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFS website.

Form 19b-4 Information * Add Remove View 24-012 (March Fees) 19b-4.docx	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 24-012 (March Fees) Exhibit 1.docx	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 Advanced Notice by Clearing Agencies * Add Remove View	The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change 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	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 Sent As Paper Document
Exhibit 3 - Form, Report, or Questionnaire Add Remove View	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 Sent As Paper Document
Exhibit 4 - Marked Copies Add Remove View	The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.
Exhibit 5 - Proposed Rule Text Add Remove View 24-012 (March Fees) Exhibit 5.pdf	The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change
Partial Amendment Add Remove View	If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

Item 1. Text of the Proposed Rule Change

(a) Cboe Exchange, Inc. (the "Exchange" or "Cboe Options") proposes to amend its 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 March 1, 2024.

(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 Williams, (224) 461-6793, Cboe Exchange, Inc., 433 West Van Buren Street, Chicago, Illinois 60607.

Item 3. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

(a) Purpose

The Exchange proposes to amend its Fees Schedule.[1]

New XSP RTH LMM Program

The Exchange proposes to amend its Fees Schedule to a adopt Regular Trading Hours ("RTH") XSP Lead Market-Makers ("LMMs") Incentive Program (the "Program") under which LMMs appointed to the Program would receive the proposed payment and rebate if they provide continuous electronic quotes during RTH from 8:30AM CST to 3:15PM CST that meet or exceed the proposed quoting standards under the Program (as described in further

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1 The Exchange initially filed the proposed fee changes on March 1, 2024 (SR-CBOE-2024-011). On March 5, 2024, the Exchange withdrew that filing and submitted this proposal.

detail below)

As proposed, if an LMM appointed to the Program provides continuous electronic quotes during RTH that meet or exceed the proposed heightened quoting standards (below) in at least 95% of the series 93% of the time in a given month, the LMM will receive (i) a payment for that month in the amount of $40,000 and (ii) a rebate of $0.27 per XSP contract that is executed in RTH in Market-Maker capacity and adds liquidity electronically contra to non-customer capacity.

Width					
VIX Value at Prior Close ≤ 30					
Moneyness[2]	**Expiring Option**	**1 day**	**2 days to 5 days**	**6 days to 14 days**	**15 days to 35 days**
[> 3% ITM)	$0.20	$0.25	$0.25	$0.50	$1.00
[3% ITM to 2% ITM)	$0.10	$0.15	$0.15	$0.25	$0.75
[2% ITM to 0.25% ITM)	$0.04	$0.05	$0.05	$0.06	$0.10
[0.25% ITM to ATM)	$0.02	$0.03	$0.04	$0.05	$0.08
[ATM to 1% OTM)	$0.02	$0.02	$0.02	$0.03	$0.06
[> 1% OTM]	$0.02	$0.02	$0.02	$0.02	$0.04
VIX Value at Prior Close > 30					
[> 3% ITM)	$0.25	$0.30	$0.30	$0.55	$1.05
[3% ITM to 2% ITM)	$0.15	$0.20	$0.20	$0.30	$0.80
[2% ITM to 0.25% ITM)	$0.05	$0.06	$0.06	$0.07	$0.11
[0.25% ITM to ATM)	$0.03	$0.04	$0.05	$0.06	$0.09
[ATM to 1% OTM)	$0.03	$0.03	$0.03	$0.04	$0.07
[> 1% OTM]	$0.03	$0.03	$0.03	$0.03	$0.05

Moneyness	**Size (0 to 35 days to expiry)**
[> 3% ITM)	5

2 Moneyness is calculated as 1 – strike/index for calls, strike/index – 1 for puts. Negative numbers are Out of the Money ("OTM") and positive values are In the Money ("ITM"). A Moneyness value of zero for either calls or puts is considered At the Money ("ATM"). For example, if the index is at 400, the 396 call = 1 – 396/400 = 0.01 = 1% ITM, whereas the 396 put = 396/400 – 1 = -0.01 = 1% OTM.

[3% ITM to 2% ITM)	10
[2% ITM to 0.25% ITM)	15
[0.25% ITM to ATM)	20
[ATM to 1% OTM)	20
[>1% OTM]	20

Meeting or exceeding the heightened quoting standards in XSP, as proposed, to receive the proposed compensation payment(s) is optional for any LMM appointed to the Program. The Exchange may consider other exceptions to this quoting standard based on demonstrated legal or regulatory requirements or other mitigating circumstances. In calculating whether an LMM met the heightened quoting standard each month, the Exchange will exclude from the calculation in that month the business day in which the LMM missed meeting or exceeding the heightened quoting standard in the highest number of series. The heightened quoting requirements offered by the Program are designed to incentivize LMMs appointed to the Program to provide significant liquidity in XSP options during the RTH session, which, in turn, would provide greater trading opportunities, added market transparency and enhanced price discovery for all market participants in XSP.

Routing Fee Codes Changes

The Exchange also proposes to modify fees associated with certain routing fee codes. The Fees Schedule currently lists fee codes and their corresponding transaction fee for routed Customer orders to other options exchanges specifically in Exchange Traded Funds (“ETF”) and equity options, and for non-Customer orders routed in Penny and Non-Penny options classes.

The Exchange notes that its current approach to routing fees is to set forth in a simple manner certain sub-categories of fees that approximate the cost of routing to other options exchanges based on the cost of transaction fees assessed by each venue as well as a flat $0.15 assessment that covers costs to the Exchange for routing (i.e., clearing fees, connectivity and other infrastructure costs, membership fees, etc.) (collectively, "Routing Costs"). The Exchange then monitors the fees charged as compared to the costs of its routing services and adjusts its routing fees and/or sub-categories to ensure that the Exchange's fees do indeed result in a rough approximation of overall Routing Costs, and are not significantly higher or lower in any area. The Exchange notes that at least one other options exchanges currently assesses routing fees in a similar manner as the Exchange's current approach to assessing approximate routing fees.[3]

The Exchange assesses fees in connection with orders routed away to various exchanges. Currently, under the Routing Fees table of the Fee Schedule, fee codes RD, RF, and RI are appended to certain Customer orders in ETF and Equity options, as follows:

- fee code RD is appended to Customer orders in ETF/Equity options routed to NYSE American ("AMEX"), BOX Options Exchange ("BOX"), Nasdaq BX Options ("BX"), Cboe EDGX Exchange, Inc. ("EDGX"), MIAX Options Exchange ("MIAX") or Nasdaq PHLX LLC ("PHLX") (excluding orders in SPY options), and assesses a charge of $0.25 per contract;
- fee code RF is appended to Customer orders in ETF/Equity, Penny options routed to NYSE Arca, Inc ("ARCA"), Cboe BZX Exchange, Inc. ("BZX"), Cboe C2 Exchange, Inc. ("C2"), Nasdaq ISE ("ISE"), ISE Gemini, LLC ("GMNI"), ISE Mercury, LLC ("MERC"), MIAX Emerald Exchange ("EMLD"), MIAX Pearl

3 See e.g., MIAX Options Exchange Fee Schedule, Section 1(c), "Fees for Customer Orders Routed to Another Options Exchange."

Exchange ("PERL"), Nasdaq Options Market LLC ("NOM"), or PHLX (for orders in SPY options only) and assesses a charge of $0.75 per contract;

- fee code RI is appended to Customer orders in ETF/Equity, Non-Penny options routed to ARCA, BZX, C2, ISE, GMNI, MERC, EMLD, PERL or NOMX, and assesses a charge of $1.25 per contract.
- fee code TD is appended to Customer orders in ETF options originating on an Exchange-sponsored terminal for greater than or equal to 100 contracts routed to AMEX, BOX, BX, EDGX, MIAX, or PHLX, and assesses a charge of $0.18 per contract;
- fee code TE is appended to Customer orders in ETF/Equity options originating on an Exchange-sponsored terminal for less than 100 contracts routed to AMEX, BOX, BX, EDGX, MIAX, PHLX, and assesses no charge per contract;
- fee code TF is appended to Customer orders in ETF, Penny options originating on an Exchange-sponsored terminal for greater than or equal to 100 contracts routed to ARCA, BZX, C2, ISE, GMNI, EMLD, PERL, MERC, or NOM, and assesses a charge of $0.18 per contract;
- fee code TG is appended to Customer orders in ETF, Non-Penny options originating on an Exchange-sponsored terminal for greater than or equal to 100 contracts routed to ARCA, BZX, C2, ISE, GMNI, EMLD, PERL, MERC, or NOM, and assesses $0.18 per contract;
- fee code TH is appended to Customer orders in ETF/Equity, Penny options originating on an Exchange-sponsored terminal for less than 100 contracts routed

to ARCA, BZX, C2, ISE, GMNI, EMLD, PERL, MERC, or NOM, and assesses no charge per contract; and

- fee code TI is appended to Customer orders in ETF/Equity, Non-Penny options originating on an Exchange-sponsored terminal for less than 100 contracts routed to ARCA, BZX, C2, ISE, GMNI, EMLD, PERL, or NOM, and assesses no charge per contract.

The Exchange proposes to amend fee code RD, TD, and TE to exclude applicable Customer orders routed to Nasdaq BX Options (BX) and to amend fee codes RF, RI, TF, TG, TH, and TI to add applicable Customer orders routed to BX. The charges assessed per contract for each fee code remain the same under the proposed rule change.

The proposed changes result in an assessment of fees that, given fees of an away options exchange, is more in line with the Exchange's current approach to routing fees, that is, in a manner that approximates the cost of routing Customer orders to other away options exchanges, based on the general cost of transaction fees assessed by the sub-category of away options exchanges for such orders (as well as the Exchange's Routing Costs).[4] The Exchange notes that routing through the Exchange is optional and that TPHs will continue to be able to choose where to route applicable Customer orders.

(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.[5] Specifically,

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[4] See BX Options 7 (Pricing Schedule), Section 2.

[5] 15 U.S.C. 78f(b).

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

The Exchange believes the proposed XSP RTH LMM Incentive Program is reasonable, equitable and not unfairly discriminatory. Particularly, the proposed Program is a reasonable financial incentive program because the proposed heightened quoting standards and rebate amounts for meeting the heightened quoting standards in XSP series are reasonably designed to incentivize LMMs appointed to the Program to meet the proposed heightened quoting standards during RTH for XSP, thereby providing liquid and active markets, which facilitates tighter spreads, increased trading opportunities, and overall enhanced market

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6 15 U.S.C. 78f(b)(5).

7 Id.

8 15 U.S.C. 78f(b)(4).

quality to the benefit of all market participants.

The Exchange believes that the proposed heightened quoting standards are reasonable because they are similar to the detail and format of the quoting standards currently in place for LMM Incentive Programs for other proprietary Exchange products that trade during RTH.[9] The Exchange also believes that proposed heightened quoting requirements are reasonably tailored to reflect market characteristics of XSP. For example, the Exchange believes the generally smaller widths appropriately reflect the lower-priced and smaller notional sized XSP product (XSP options are 1/10th the size of SPX options). The Exchange believes utilizing moneyness as a quoting standard is reasonable, given the program objectives to achieve tight liquidity in a market where options premiums change quickly.

The Exchange also believes that the proposed incentive payment for appointed LMMs that meet the proposed heightened quoting standards in XSP in a month is reasonable and equitable as it is comparable to the incentive payments offered for other LMM Incentive Programs for other proprietary products. For example, the GTH1 and GTH2 LMM Incentive Programs for SPX/SPXW offer incentive payments of $40,000 per month, in which an appointed LMM meets the given quoting standards.[10] The Exchange also believes it is reasonable to offer to an appointed LMM that meets the given quoting standards a rebate of $0.27 per XSP contract that is executed in RTH in Market-Maker capacity and adds liquidity electronically contra to non-customer capacity because the

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9 See Cboe Options Fees Schedule, "RTH SPESG LMM Incentive Program", "MRUT LMM Incentive Program", "NANOS LMM Incentive Program", and "MSCI LMM Incentive Program."

10 See Cboe Options Fees Schedule, SPX/SPXW LMM Incentive Program", and GTH2 SPX/SPXW LMM Incentive Program."

proposed rebate is an incentive reasonably designed to encourage appointed LMMs to provide liquidity electronically contra to non-customer capacity in XSP options during the trading day.

Finally, the Exchange believes it is equitable and not unfairly discriminatory to offer the financial incentive to LMMs appointed to the Program because it will benefit all market participants trading in XSP during RTH by encouraging the appointed LMMs to satisfy the heightened quoting standards, which incentivizes continuous increased liquidity and thereby may provide more trading opportunities and tighter spreads. Indeed, the Exchange notes that these LMMs serve a crucial role in providing quotes and the opportunity for market participants to trade XSP, which can lead to increased volume, providing for robust markets. The Exchange ultimately proposes to offer the Program to sufficiently incentivize the appointed LMMs to provide key liquidity and active markets in XSP options to encourage liquidity, thereby protecting investors and the public interest. The Exchange also notes that an LMM appointed to the Program may undertake added costs each month to satisfy that heightened quoting standards (e.g., having to purchase additional logical connectivity). The Exchange believes the Program is equitable and not unfairly discriminatory because similar programs currently exist for LMMs appointed to programs in other proprietary products,[11] including for XSP during the GTH session, and the Program will equally apply to any TPH that is appointed as an LMM to the Program. Additionally, if an appointed LMM does not satisfy the heightened quoting standard in XSP for any given month, then it simply will not receive the offered payments or rebates for that month.

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11 See supra notes 9 and 10.

The Exchange also believes the proposed rule change to amend fee codes RD, RF, RI, TD, TE, TF, TG, TH, and TI to account for BX's current assessment of fees for Customer orders is reasonable because it is reasonably designed to assess routing fees in line with the Exchange's current approach to routing fees. That is, the proposed rule change is intended to include Customer orders in ETF and equity options routed to BX in the most appropriate sub-category of fees that approximates the cost of routing to a group of away options exchanges based on the cost of transaction fees assessed by each venue as well as Routing Costs to the Exchange. As noted above, the Exchange operates in a highly competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive or incentives to be insufficient. The Exchange notes that routing through the Exchange is optional and that TPHs will continue to be able to choose where to route their Customer orders in ETF and equity options in the same sub-category group of away exchanges as they currently may choose to route. The proposed rule change reflects a competitive pricing structure designed to incentivize market participants to direct their order flow to the Exchange, which the Exchange believes would enhance market quality to the benefit of all TPHs. The Exchange further notes that at least one other options exchange currently approximates routing fees in a similar manner as the Exchange's current approach.[12] The Exchange believes that the proposed rule change is equitable and not unfairly discriminatory because all TPHs' applicable Customer orders in ETF and equity options routed to BX will be automatically and uniformly assessed the applicable routing charges.

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[12] See supra note 2.

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 Exchange also does not believe that the Program would impose any burden on intramarket competition because it applies to all LMMs appointed to the Program in a uniform manner, in the same way similar programs apply to LMMs in other proprietary products today. To the extent these LMMs receive a benefit that other market participants do not, as stated, LMMs have different obligations and are held to different standards. For example, LMMs play a crucial role in providing active and liquid markets in their appointed products, thereby providing a robust market which benefits all market participants. Such Market-Makers also have obligations and regulatory requirements that other participants do not have.

The Exchange does not believe the proposed rule change to amend fee codes RD, RF, RI, TD, TE, TF, TG, TH, and TI will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. All TPHs' Customer orders routing to BX and currently yielding fee code RD, TD, or TE will yield fee code RF, RI, RF, TG, TH, or TI (depending on the order) and will automatically and uniformly be assessed the current fees already in place for such routed orders, as applicable.

The Exchange does not believe that the proposed rule change to establish the Program will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because the proposed incentive payment and rebate apply to a product exclusively listed on the Exchange.

Further, the Exchange does not believe the proposed rule change to amend fee codes RD, RF, RI, TD, TE, TF, TG, TH, and TI will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange notes that at least one other options exchange approximates routing costs in a similar manner as the Exchange's current approach.[13] Also, the Exchange operates in a highly competitive market. TPHs have numerous alternative venues that they may participate on and direct their order flow, including 16 other options exchanges and off-exchange venues. Additionally, the Exchange represents a small percentage of the overall market. Based on publicly available information, no single options exchange has more than 16% of the market share.[14] Therefore, no exchange possesses significant pricing power in the execution of option order flow. Indeed, participants can readily choose to send their orders to other exchange and off-exchange venues if they deem fee levels at those other venues to be more favorable. Moreover, the Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. Specifically, in Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and, also, recognized that current regulation of the market system "has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies."[15] The fact that this market is competitive has also long been recognized by the courts. In NetCoalition v. Securities and Exchange Commission,

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13 Id.

14 See Cboe Global Markets U.S. Options Market Monthly Volume Summary (February 26, 2024), available at https://markets.cboe.com/us/options/market_statistics/.

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

the D.C. Circuit stated as follows: "[n]o one disputes that competition for order flow is 'fierce.' … As the SEC explained, '[i]n the U.S. national market system, buyers and sellers of securities, and the broker-dealers that act as their order-routing agents, have a wide range of choices of where to route orders for execution'; [and] 'no exchange can afford to take its market share percentages for granted' because 'no exchange possesses a monopoly, regulatory or otherwise, in the execution of order flow from broker dealers'….".[16] Accordingly, the Exchange does not believe its proposed fee change imposes any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

Item 5. **<u>Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others</u>**

The Exchange neither solicited nor received comments on the proposed rule change.

Item 6. **<u>Extension of Time Period for Commission Action</u>**

Not applicable.

Item 7. **<u>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)</u>**

(a) The proposed rule change is filed for immediate effectiveness pursuant to Section 19(b)(3)(A) of the Act[17] and Rule 19b-4(f)(2)[18] 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

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

17 15 U.S.C. 78s(b)(3)(A).

18 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-2024-012]

[Insert date]

Self-Regulatory Organizations; Cboe Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend its 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 its 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.

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

1 15 U.S.C. 78s(b)(1).

2 17 CFR 240.19b-4.

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. <u>Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change</u>

1. <u>Purpose</u>

The Exchange proposes to amend its Fees Schedule.[3]

New XSP RTH LMM Program

The Exchange proposes to amend its Fees Schedule to a adopt Regular Trading Hours ("RTH") XSP Lead Market-Makers ("LMMs") Incentive Program (the "Program") under which LMMs appointed to the Program would receive the proposed payment and rebate if they provide continuous electronic quotes during RTH from 8:30AM CST to 3:15PM CST that meet or exceed the proposed quoting standards under the Program (as described in further detail below)

As proposed, if an LMM appointed to the Program provides continuous electronic quotes during RTH that meet or exceed the proposed heightened quoting standards (below) in at least 95% of the series 93% of the time in a given month, the LMM will receive (i) a payment for that month in the amount of $40,000 and (ii) a rebate of $0.27 per XSP contract that is executed in RTH in Market-Maker capacity and adds liquidity electronically contra to non-customer capacity.

<u>Width</u>
VIX Value at Prior Close ≤ 30

[3] The Exchange initially filed the proposed fee changes on March 1, 2024 (SR-CBOE-2024-011). On March 5, 2024, the Exchange withdrew that filing and submitted this proposal.

Moneyness[4]	**Expiring Option**	**1 day**	**2 days to 5 days**	**6 days to 14 days**	**15 days to 35 days**
[> 3% ITM)	$0.20	$0.25	$0.25	$0.50	$1.00
[3% ITM to 2% ITM)	$0.10	$0.15	$0.15	$0.25	$0.75
[2% ITM to 0.25% ITM)	$0.04	$0.05	$0.05	$0.06	$0.10
[0.25% ITM to ATM)	$0.02	$0.03	$0.04	$0.05	$0.08
[ATM to 1% OTM)	$0.02	$0.02	$0.02	$0.03	$0.06
[> 1% OTM]	$0.02	$0.02	$0.02	$0.02	$0.04
VIX Value at Prior Close > 30					
[> 3% ITM)	$0.25	$0.30	$0.30	$0.55	$1.05
[3% ITM to 2% ITM)	$0.15	$0.20	$0.20	$0.30	$0.80
[2% ITM to 0.25% ITM)	$0.05	$0.06	$0.06	$0.07	$0.11
[0.25% ITM to ATM)	$0.03	$0.04	$0.05	$0.06	$0.09
[ATM to 1% OTM)	$0.03	$0.03	$0.03	$0.04	$0.07
[> 1% OTM]	$0.03	$0.03	$0.03	$0.03	$0.05

Moneyness	**Size (0 to 35 days to expiry)**
[> 3% ITM)	5
[3% ITM to 2% ITM)	10
[2% ITM to 0.25% ITM)	15
[0.25% ITM to ATM)	20
[ATM to 1% OTM)	20
[>1% OTM]	20

Meeting or exceeding the heightened quoting standards in XSP, as proposed, to receive the proposed compensation payment(s) is optional for any LMM appointed to the Program. The Exchange may consider other exceptions to this quoting standard based on demonstrated legal or regulatory requirements or other mitigating circumstances. In calculating whether an LMM met the heightened quoting standard each month, the

4 Moneyness is calculated as 1 – strike/index for calls, strike/index – 1 for puts. Negative numbers are Out of the Money ("OTM") and positive values are In the Money ("ITM"). A Moneyness value of zero for either calls or puts is considered At the Money ("ATM"). For example, if the index is at 400, the 396 call = 1 – 396/400 = 0.01 = 1% ITM, whereas the 396 put = 396/400 – 1 = -0.01 = 1% OTM.

Exchange will exclude from the calculation in that month the business day in which the LMM missed meeting or exceeding the heightened quoting standard in the highest number of series. The heightened quoting requirements offered by the Program are designed to incentivize LMMs appointed to the Program to provide significant liquidity in XSP options during the RTH session, which, in turn, would provide greater trading opportunities, added market transparency and enhanced price discovery for all market participants in XSP.

Routing Fee Codes Changes

The Exchange also proposes to modify fees associated with certain routing fee codes. The Fees Schedule currently lists fee codes and their corresponding transaction fee for routed Customer orders to other options exchanges specifically in Exchange Traded Funds ("ETF") and equity options, and for non-Customer orders routed in Penny and Non-Penny options classes.

The Exchange notes that its current approach to routing fees is to set forth in a simple manner certain sub-categories of fees that approximate the cost of routing to other options exchanges based on the cost of transaction fees assessed by each venue as well as a flat $0.15 assessment that covers costs to the Exchange for routing (i.e., clearing fees, connectivity and other infrastructure costs, membership fees, etc.) (collectively, "Routing Costs"). The Exchange then monitors the fees charged as compared to the costs of its routing services and adjusts its routing fees and/or sub-categories to ensure that the Exchange's fees do indeed result in a rough approximation of overall Routing Costs, and are not significantly higher or lower in any area. The Exchange notes that at least one other options exchanges currently assesses routing fees in a similar manner as the Exchange's current approach to assessing approximate routing fees.[5]

The Exchange assesses fees in connection with orders routed away to various exchanges. Currently, under the Routing Fees table of the Fee Schedule, fee codes RD, RF, and RI are appended to certain Customer orders in ETF and Equity options, as follows:

- fee code RD is appended to Customer orders in ETF/Equity options routed to NYSE American ("AMEX"), BOX Options Exchange ("BOX"), Nasdaq BX Options ("BX"), Cboe EDGX Exchange, Inc. ("EDGX"), MIAX Options Exchange ("MIAX") or Nasdaq PHLX LLC ("PHLX") (excluding orders in SPY options), and assesses a charge of $0.25 per contract;
- fee code RF is appended to Customer orders in ETF/Equity, Penny options routed to NYSE Arca, Inc ("ARCA"), Cboe BZX Exchange, Inc. ("BZX"), Cboe C2 Exchange, Inc. ("C2"), Nasdaq ISE ("ISE"), ISE Gemini, LLC ("GMNI"), ISE Mercury, LLC ("MERC"), MIAX Emerald Exchange ("EMLD"), MIAX Pearl Exchange ("PERL"), Nasdaq Options Market LLC ("NOM"), or PHLX (for orders in SPY options only) and assesses a charge of $0.75 per contract;
- fee code RI is appended to Customer orders in ETF/Equity, Non-Penny options routed to ARCA, BZX, C2, ISE, GMNI, MERC, EMLD, PERL or NOMX, and assesses a charge of $1.25 per contract.
- fee code TD is appended to Customer orders in ETF options originating on an Exchange-sponsored terminal for greater than or equal to 100 contracts routed to

5 See e.g., MIAX Options Exchange Fee Schedule, Section 1(c), "Fees for Customer Orders Routed to Another Options Exchange."

AMEX, BOX, BX, EDGX, MIAX, or PHLX, and assesses a charge of $0.18 per contract;

- fee code TE is appended to Customer orders in ETF/Equity options originating on an Exchange-sponsored terminal for less than 100 contracts routed to AMEX, BOX, BX, EDGX, MIAX, PHLX, and assesses no charge per contract;
- fee code TF is appended to Customer orders in ETF, Penny options originating on an Exchange-sponsored terminal for greater than or equal to 100 contracts routed to ARCA, BZX, C2, ISE, GMNI, EMLD, PERL, MERC, or NOM, and assesses a charge of $0.18 per contract;
- fee code TG is appended to Customer orders in ETF, Non-Penny options originating on an Exchange-sponsored terminal for greater than or equal to 100 contracts routed to ARCA, BZX, C2, ISE, GMNI, EMLD, PERL, MERC, or NOM, and assesses $0.18 per contract;
- fee code TH is appended to Customer orders in ETF/Equity, Penny options originating on an Exchange-sponsored terminal for less than 100 contracts routed to ARCA, BZX, C2, ISE, GMNI, EMLD, PERL, MERC, or NOM, and assesses no charge per contract; and
- fee code TI is appended to Customer orders in ETF/Equity, Non-Penny options originating on an Exchange-sponsored terminal for less than 100 contracts routed to ARCA, BZX, C2, ISE, GMNI, EMLD, PERL, or NOM, and assesses no charge per contract.

The Exchange proposes to amend fee code RD, TD, and TE to exclude applicable Customer orders routed to Nasdaq BX Options (BX) and to amend fee codes RF, RI, TF, TG, TH, and TI to add applicable Customer orders routed to BX. The charges assessed per contract for each fee code remain the same under the proposed rule change.

The proposed changes result in an assessment of fees that, given fees of an away options exchange, is more in line with the Exchange's current approach to routing fees, that is, in a manner that approximates the cost of routing Customer orders to other away options exchanges, based on the general cost of transaction fees assessed by the sub-category of away options exchanges for such orders (as well as the Exchange's Routing Costs).[6] The Exchange notes that routing through the Exchange is optional and that TPHs will continue to be able to choose where to route applicable Customer orders.

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

6 See BX Options 7 (Pricing Schedule), Section 2.

7 15 U.S.C. 78f(b).

8 15 U.S.C. 78f(b)(5).

Exchange believes the proposed rule change is consistent with the Section 6(b)(5)[9] requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers. The Exchange also believes the proposed rule change is consistent with Section 6(b)(4) of the Act,[10] which requires that Exchange rules provide for the equitable allocation of reasonable dues, fees, and other charges among its Trading Permit Holders and other persons using its facilities.

The Exchange believes the proposed XSP RTH LMM Incentive Program is reasonable, equitable and not unfairly discriminatory. Particularly, the proposed Program is a reasonable financial incentive program because the proposed heightened quoting standards and rebate amounts for meeting the heightened quoting standards in XSP series are reasonably designed to incentivize LMMs appointed to the Program to meet the proposed heightened quoting standards during RTH for XSP, thereby providing liquid and active markets, which facilitates tighter spreads, increased trading opportunities, and overall enhanced market quality to the benefit of all market participants.

The Exchange believes that the proposed heightened quoting standards are reasonable because they are similar to the detail and format of the quoting standards currently in place for LMM Incentive Programs for other proprietary Exchange products that trade during RTH.[11] The Exchange also believes that proposed heightened quoting requirements are reasonably tailored to reflect market characteristics of XSP. For example, the Exchange believes the generally smaller widths appropriately reflect the lower-priced

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9 Id.

10 15 U.S.C. 78f(b)(4).

11 See Cboe Options Fees Schedule, "RTH SPESG LMM Incentive Program", "MRUT LMM Incentive Program", "NANOS LMM Incentive Program", and "MSCI LMM Incentive Program."

and smaller notional sized XSP product (XSP options are 1/10th the size of SPX options). The Exchange believes utilizing moneyness as a quoting standard is reasonable, given the program objectives to achieve tight liquidity in a market where options premiums change quickly.

The Exchange also believes that the proposed incentive payment for appointed LMMs that meet the proposed heightened quoting standards in XSP in a month is reasonable and equitable as it is comparable to the incentive payments offered for other LMM Incentive Programs for other proprietary products. For example, the GTH1 and GTH2 LMM Incentive Programs for SPX/SPXW offer incentive payments of $40,000 per month, in which an appointed LMM meets the given quoting standards.[12] The Exchange also believes it is reasonable to offer to an appointed LMM that meets the given quoting standards a rebate of $0.27 per XSP contract that is executed in RTH in Market-Maker capacity and adds liquidity electronically contra to non-customer capacity because the proposed rebate is an incentive reasonably designed to encourage appointed LMMs to provide liquidity electronically contra to non-customer capacity in XSP options during the trading day.

Finally, the Exchange believes it is equitable and not unfairly discriminatory to offer the financial incentive to LMMs appointed to the Program because it will benefit all market participants trading in XSP during RTH by encouraging the appointed LMMs to satisfy the heightened quoting standards, which incentivizes continuous increased liquidity and thereby may provide more trading opportunities and tighter spreads. Indeed, the

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12 See Cboe Options Fees Schedule, SPX/SPXW LMM Incentive Program", and GTH2 SPX/SPXW LMM Incentive Program."

Exchange notes that these LMMs serve a crucial role in providing quotes and the opportunity for market participants to trade XSP, which can lead to increased volume, providing for robust markets. The Exchange ultimately proposes to offer the Program to sufficiently incentivize the appointed LMMs to provide key liquidity and active markets in XSP options to encourage liquidity, thereby protecting investors and the public interest. The Exchange also notes that an LMM appointed to the Program may undertake added costs each month to satisfy that heightened quoting standards (e.g., having to purchase additional logical connectivity). The Exchange believes the Program is equitable and not unfairly discriminatory because similar programs currently exist for LMMs appointed to programs in other proprietary products,[13] including for XSP during the GTH session, and the Program will equally apply to any TPH that is appointed as an LMM to the Program. Additionally, if an appointed LMM does not satisfy the heightened quoting standard in XSP for any given month, then it simply will not receive the offered payments or rebates for that month.

The Exchange also believes the proposed rule change to amend fee codes RD, RF, RI, TD, TE, TF, TG, TH, and TI to account for BX's current assessment of fees for Customer orders is reasonable because it is reasonably designed to assess routing fees in line with the Exchange's current approach to routing fees. That is, the proposed rule change is intended to include Customer orders in ETF and equity options routed to BX in the most appropriate sub-category of fees that approximates the cost of routing to a group of away options exchanges based on the cost of transaction fees assessed by each venue as well as Routing Costs to the Exchange. As noted above, the Exchange operates in a highly

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13 See supra notes 11 and 12.

competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive or incentives to be insufficient. The Exchange notes that routing through the Exchange is optional and that TPHs will continue to be able to choose where to route their Customer orders in ETF and equity options in the same sub-category group of away exchanges as they currently may choose to route. The proposed rule change reflects a competitive pricing structure designed to incentivize market participants to direct their order flow to the Exchange, which the Exchange believes would enhance market quality to the benefit of all TPHs. The Exchange further notes that at least one other options exchange currently approximates routing fees in a similar manner as the Exchange's current approach.[14] The Exchange believes that the proposed rule change is equitable and not unfairly discriminatory because all TPHs' applicable Customer orders in ETF and equity options routed to BX will be automatically and uniformly assessed the applicable routing charges.

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 Exchange also does not believe that the Program would impose any burden on intramarket competition because it applies to all LMMs appointed to the Program in a uniform manner, in the same way similar programs apply to LMMs in other proprietary products today. To the extent these LMMs receive a benefit that other market participants do not, as stated, LMMs have different obligations and are held to different standards. For example, LMMs play a crucial role in providing active and liquid markets in their

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[14] See supra note 4.

appointed products, thereby providing a robust market which benefits all market participants. Such Market-Makers also have obligations and regulatory requirements that other participants do not have.

The Exchange does not believe the proposed rule change to amend fee codes RD, RF, RI, TD, TE, TF, TG, TH, and TI will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. All TPHs' Customer orders routing to BX and currently yielding fee code RD, TD, or TE will yield fee code RF, RI, RF, TG, TH, or TI (depending on the order) and will automatically and uniformly be assessed the current fees already in place for such routed orders, as applicable.

The Exchange does not believe that the proposed rule change to establish the Program will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because the proposed incentive payment and rebate apply to a product exclusively listed on the Exchange.

Further, the Exchange does not believe the proposed rule change to amend fee codes RD, RF, RI, TD, TE, TF, TG, TH, and TI will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange notes that at least one other options exchange approximates routing costs in a similar manner as the Exchange's current approach.[15] Also, the Exchange operates in a highly competitive market. TPHs have numerous alternative venues that they may participate on and direct their order flow, including 16 other options exchanges and off-exchange venues. Additionally, the Exchange represents a small percentage of the overall market. Based on publicly available information, no single options exchange has more than

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15 Id.

16% of the market share.[16] Therefore, no exchange possesses significant pricing power in the execution of option order flow. Indeed, participants can readily choose to send their orders to other exchange and off-exchange venues if they deem fee levels at those other venues to be more favorable. Moreover, the Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. Specifically, in Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and, also, recognized that current regulation of the market system "has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies."[17] The fact that this market is competitive has also long been recognized by the courts. In NetCoalition v. Securities and Exchange Commission, the D.C. Circuit stated as follows: "[n]o one disputes that competition for order flow is 'fierce.' … As the SEC explained, '[i]n the U.S. national market system, buyers and sellers of securities, and the broker-dealers that act as their order-routing agents, have a wide range of choices of where to route orders for execution'; [and] 'no exchange can afford to take its market share percentages for granted' because 'no exchange possesses a monopoly, regulatory or otherwise, in the execution of order flow from broker dealers'….".[18] Accordingly, the Exchange does not believe its proposed fee change imposes any burden

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16 See Cboe Global Markets U.S. Options Market Monthly Volume Summary (February 26, 2024), available at https://markets.cboe.com/us/options/market_statistics/.

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

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

on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

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

The Exchange neither solicited nor received comments on the proposed rule change.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act[19] and paragraph (f) of Rule 19b-4[20] 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 (https://www.sec.gov/rules/sro.shtml); or

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19 15 U.S.C. 78s(b)(3)(A).

20 17 CFR 240.19b-4(f).

- Send an email to rule-comments@sec.gov. Please include file number SR-CBOE-2024-012 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-2024-012. This file number should be included on the subject line if email 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 (https://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, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-CBOE-2024-012 and should be submitted on or before [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[21]

Sherry R. Haywood,

Assistant Secretary.

[21] 17 CFR 200.30-3(a)(12).

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Routing Fees (12)

Capacity	Transaction Fee Per Contract	Description	Notes
Customer	{RD} $0.25	Routed to AMEX, BOX, [BX,]EDGX, MIAX, PHLX (excluding SPY), ETF, Equity	Multiple orders from the same executing firm for itself or for a CMTA or correspondent firm in the same series on the same side of the market that are received within 500 milliseconds will be aggregated for purposes of determining the order quantity. Cboe Options will not pass through or otherwise charge customer orders (of any size) routed to other exchanges that were originally transmitted to the Exchange from the trading floor through an Exchange-sponsored terminal.
	{RF} $0.75	Routed to ARCA, BX, BZX, C2, ISE, GMNI, MERC, EMLD, PERL, NOMX, MEMX, PHLX (SPY only), ETF, Equity, Penny	
	{RI} $1.25	Routed to ARCA, BX, BZX, C2, ISE, GMNI, MERC, EMLD, PERL, NOMX, MEMX, ETF, Equity, Non-Penny	
	{RS} $0.48	Routed, Index	
	{TD} $0.18	Routed to AMEX, BOX, [BX,]EDGX, MIAX, PHLX, ≥ 100 contracts, ETF, originating on Exchange-sponsored terminal	
	{TE} $0.00	Routed to AMEX, BOX, [BX,]EDGX, MIAX, PHLX, < 100 contracts ETF, Equity, originating on Exchange-sponsored terminal	
	{TF} $0.18	Routed to ARCA, BX, BZX, C2, ISE, GMNI, MERC, EMLD, PERL, NOMX, MEMX, ≥ 100 contracts ETF, Penny, originating on Exchange-sponsored terminal	
	{TG} $0.18	Routed to ARCA, BX, BZX, C2, ISE, GMNI, MERC, EMLD, PERL, NOMX, MEMX, ≥ 100 contracts ETF, Non-Penny, originating on Exchange-sponsored terminal	
	{TH} $0.00	Routed to ARCA, BX, BZX, C2, ISE, GMNI, MERC, EMLD, PERL, NOMX, MEMX, <100 contracts ETF, Equity, Penny, originating on Exchange-sponsored terminal	
	{TI} $0.00	Routed to ARCA, BX, BZX, C2, ISE, GMNI, MERC, EMLD, PERL, NOMX, MEMX, <100 contracts ETF, Equity, Non-Penny, originating on Exchange-sponsored terminal	
	{TS} $0.18	Routed, Index, originating on Exchange-sponsored terminal	
Non-Customer	{RJ} $1.17	Routed, Penny	
	{RK} $1.45	Routed, Non-Penny	

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RTH XSP LMM Incentive Program

Capacity	Capacity Code	Moneyness	Expiring Option		1 day		2 days to 5 days		6 days to 14 days		15 days to 35 days	
			Width	Size	Width	Size	Width	Size	Width	Size	Width	Size
		VIX Value at Prior Close ≤ 30										
LMM	M	[> 3% ITM)	$0.20	5	$0.25	5	$0.25	5	$0.50	5	$1.00	5
		[3% ITM to 2% ITM)	$0.10	10	$0.15	10	$0.15	10	$0.25	10	$0.75	10
		[2% ITM to 0.25% ITM)	$0.04	15	$0.05	15	$0.05	15	$0.06	15	$0.10	15
		[0.25% ITM to ATM)	$0.02	20	$0.03	20	$0.04	20	$0.05	20	$0.08	20
		[ATM to 1% OTM)	$0.02	20	$0.02	20	$0.02	20	$0.03	20	$0.06	20
		[> 1% OTM]	$0.02	20	$0.02	20	$0.02	20	$0.02	20	$0.04	20
		VIX Value at Prior Close > 30										
		[> 3% ITM)	$0.25	5	$0.30	5	$0.30	5	$0.55	5	$1.05	5
		[3% ITM to 2% ITM)	$0.15	10	$0.20	10	$0.20	10	$0.30	10	$0.80	10
		[2% ITM to 0.25% ITM)	$0.05	15	$0.06	15	$0.06	15	$0.07	15	$0.11	15
		[0.25% ITM to ATM)	$0.03	20	$0.04	20	$0.05	20	$0.06	20	$0.09	20
		[ATM to 1% OTM)	$0.03	20	$0.03	20	$0.03	20	$0.04	20	$0.07	20
		[> 1% OTM]	$0.03	20	$0.03	20	$0.03	20	$0.03	20	$0.05	20

For XSP if the appointed LMM provides continuous electronic quotes during Regular Trading Hours that meet or exceed the above heightened quoting standards in at least 95% of each of the XSP series 93% of the time in a given month, the LMM will receive a rebate for that month in the amount of $40,000 (or pro-rated amount if an appointment begins after the first trading day of the month or ends prior to the last trading day of the month) for that month. Additionally, if the appointed LMM provides continuous electronic quotes during Regular Trading Hours that meet or exceed the above XSP heightened quoting standards, the LMM will receive a rebate for that month of $0.27 per XSP contract that is executed in its Market-Maker capacity and adds liquidity electronically contra to non-customer capacity. The Exchange may consider other exceptions to this quoting standard based on demonstrated legal or regulatory requirements or other mitigating circumstances. In calculating whether an LMM met the heightened quoting standard each month, the Exchange will exclude from the calculation in that month the business day in which the LMM missed meeting or exceeding the heightened quoting standard in the highest number of series.

GTH1 XSP LMM Incentive Program

Capacity	Capacity Code	Premium Level	Expiring 7 days or less		Near Term 8 days to 60 days		Mid Term 61 days to 270 days		Long Term 271 to 500 days	
			Width	Size	Width	Size	Width	Size	Width	Size
		VIX Value at Prior Close < 30								
LMM	M	$0.01 - $1.00	$0.10	5	$0.11	5	$0.15	5	$0.25	5
		$1.01 - $5.00	$0.15	5	$0.15	5	$0.20	5	$0.30	5
		$5.01 - $8.00	$0.25	5	$0.30	5	$0.40	5	$0.60	5
		$8.01 - $12.00	$0.60	5	$0.80	5	$1.10	5	$1.35	5
		$12.01 - $20.00	$1.00	5	$1.30	5	$1.80	5	$2.20	5
		Greater than $20.00	$2.00	5	$2.40	5	$2.80	5	$3.60	5
		VIX Value at Prior Close ≥ 30								
		$0.01 - $1.00	$0.14	5	$0.16	5	$0.20	5	$0.30	5
		$1.01 - $5.00	$0.18	5	$0.20	5	$0.25	5	$0.40	5
		$5.01 - $8.00	$0.22	5	$0.30	5	$0.45	5	$0.70	5
		$8.01 - $12.00	$0.60	5	$0.90	5	$1.20	5	$1.50	5
		$12.01 - $20.00	$1.20	5	$1.50	5	$2.00	5	$2.40	5
		Greater than $20.00	$2.40	5	$2.80	5	$3.20	5	$4.00	5

For XSP if the appointed LMM provides continuous electronic quotes during Global Trading Hours from 7:15PM CST to 2:00AM CST ("GTH1") that meet or exceed the above heightened quoting standards in at least 85% of each of the XSP series 90% of the time in a given month, the LMM will receive a rebate for that month in the amount of $15,000 (or pro-rated amount if an appointment begins after the first trading day of the month or ends prior to the last trading day of the month) for that month. The Exchange may consider other exceptions to this quoting standard based on demonstrated legal or regulatory requirements or other mitigating circumstances. In calculating whether an LMM met the heightened quoting standard each month, the Exchange will exclude from the calculation in that month the business day in which the LMM missed meeting or exceeding the heightened quoting standard in the highest number of series.

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