



## ***Cboe Options Exchange GTH2 SPX/SPXW LMM Incentive Program Solicitation***

Reference ID: C2025072105

### ***OVERVIEW***

#### **Applicable Cboe Exchanges: Cboe Options**

Cboe Options (the “Exchange”) will be accepting applications from interested Trading Permit Holders for the Lead Market-Maker (LMM) role in the Global Trading Hours 2 (GTH2) session from 3:00 a.m. to 9:25 a.m. ET (GTH2) for SPX options (including SPX weekly options (SPXW)) for the purposes of the GTH2 SPX/SPXW LMM Incentive Program (“Program”), *subject to regulatory review*. Interested parties must submit application materials to become a GTH2 SPX/SPXW LMM no later than 4:00 p.m. ET on Friday, July 25, 2025, to Cboe Membership Services.

### ***DETAILS***

The Exchange intends to select up to three candidates to serve as the Program’s GTH2 SPX/SPXW LMMs from **August 1, 2025 through January 31, 2026**, considering various factors including those set forth in [Cboe Options Rule 3.55](#).

As any Market-Maker, an LMM appointed to the Program has a regulatory obligation to maintain continuous two-sided quotes in 60% of the series with 270 days or less to expiration in its appointed products for at least 90% of the time it is quoting during all trading sessions (to be measured across all of its class appointments collectively) and satisfy all other Market-Maker obligations as set forth in Cboe Options Rule 5.51.

The GTH2 SPX/SPXW LMM Incentive Program, as will be set forth within the Cboe Options Fees Schedule, provides that a GTH2 SPX/SPXW LMM that meets or exceeds the following heightened quoting standards in a month will receive a compensation payment for that month in the amount of \$25,000 (subject to change and announced by Exchange Notice/Fees Schedule, *subject to regulatory review*). Separately, LMMs may earn an additional \$15,000 compensation for satisfying the Mid Term (23 days to 37 days to expiry) quoting requirements. To receive the monthly payments, 85% of the series for each requirement set must have a qualifying post-opening-rotation quote from the LMM 90% of the time between 3:00 a.m. ET until 9:25 a.m. ET. Cboe Options notes that meeting or exceeding the Program’s heightened quoting standards to receive a compensation payment as described above is optional for a GTH2 SPX/SPXW LMM. A “qualifying” quote is one that is no wider than the amount set forth in the table below, and such quotes will qualify only after the series is open (i.e., pre-opening quotes do not count):

If VIX Prior RTH Close < 20:

Premium Level	Expiring		Near Term		Mid Term		Mid-Long Term		Long Term	
	7 days or less		8 days to 22 days		23 days to 37 days		38 days to 180 days		181 days to 500 days	
	Width	Size	Width	Size	Width	Size	Width	Size	Width	Size
\$0 - \$5.00	\$0.35	25	\$0.40	15	\$0.25	15	\$0.60	5	\$1.20	5
\$5.01 - \$15.00	\$0.80	20	\$0.60	20	\$0.40	15	\$1.50	10	\$2.00	5
\$15.01 - \$50.00	\$1.80	15	\$2.00	15	\$1.20	10	\$2.00	10	\$4.00	5
\$50.01 - \$100.00	\$6.50	10	\$3.00	10	\$2.00	5	\$3.00	10	\$5.00	5
\$100.01 - \$200.00	\$15.00	1	\$5.00	5	\$3.00	5	\$4.00	5	\$6.00	5
Greater Than \$200.00	\$20.00	1	\$8.00	1	\$8.00	1	\$12.00	1	\$50.00	1

If VIX Prior RTH Close >= 20 and < 30:

Premium Level	Expiring		Near Term		Mid Term		Mid-Long Term		Long Term	
	7 days or less		8 days to 22 days		23 days to 37 days		38 days to 180 days		181 days to 500 days	
	Width	Size	Width	Size	Width	Size	Width	Size	Width	Size
\$0 - \$5.00	\$0.60	15	\$0.80	10	\$0.40	10	\$0.75	5	\$2.00	5
\$5.01 - \$15.00	\$1.00	15	\$1.00	15	\$0.80	10	\$2.20	5	\$3.00	5
\$15.01 - \$50.00	\$2.50	10	\$3.50	10	\$3.00	5	\$3.00	5	\$5.00	5
\$50.01 - \$100.00	\$9.00	10	\$6.00	10	\$5.00	5	\$3.50	5	\$7.00	5
\$100.01 - \$200.00	\$15.00	1	\$8.00	5	\$6.00	1	\$6.00	5	\$10.00	5
Greater Than \$200.00	\$25.00	1	\$12.00	1	\$10.00	1	\$20.00	1	\$60.00	1

If VIX Prior RTH Close >= 30:

Premium Level	Expiring		Near Term		Mid Term		Mid-Long Term		Long Term	
	7 days or less		8 days to 22 days		23 days to 37 days		38 days to 180 days		181 days to 500 days	
	Width	Size	Width	Size	Width	Size	Width	Size	Width	Size
\$0 - \$5.00	\$0.90	10	\$1.00	10	\$0.80	5	\$1.00	5	\$3.00	5
\$5.01 - \$15.00	\$2.50	10	\$2.50	10	\$2.00	5	\$3.00	5	\$4.00	5
\$15.01 - \$50.00	\$4.00	10	\$5.00	10	\$3.50	5	\$4.00	5	\$8.00	5
\$50.01 - \$100.00	\$10.00	5	\$10.00	5	\$8.00	5	\$4.50	3	\$10.00	1
\$100.01 - \$200.00	\$20.00	1	\$12.00	5	\$10.00	5	\$15.00	1	\$18.00	1
Greater Than \$200.00	\$30.00	1	\$25.00	1	\$20.00	1	\$30.00	1	\$70.00	1

In determining the applicable set of the Program's heightened quoting requirements for the GTH2 session each day, Cboe Options will reference the Cboe Volatility Index® (Index symbol: VIX) level as of the close of trading in SPX index options in the previous Regular Trading Hours session.

In calculating whether an LMM meets the Program's heightened quoting standard, the Exchange will exclude from the calculation each month the business day in which the LMM missed the Program's heightened quoting standard in the highest number of series.

As pre-open quotes do not count towards the Program's heightened quoting standard, the LMM should be aware that the System will not allow a series to open unless the composite market (i.e., the BBO comprised of appointed Market-Maker quotes in SPX and SPXW, respectively) is no wider than the MCW/OCW widths defined in Cboe Options Rule 5.31(a) and presented in the below table, unless there are no orders to trade or limit orders that cross the mid-point of the composite market:

Composite Market Bid Price	Max Composite Width
\$0.00 - \$1.99	0.50
\$2.00 - \$5.00	0.80
\$5.01 - \$10.00	1.00
\$10.01 - \$20.00	2.00
\$20.01 - \$50.00	3.00
\$50.01 - \$100.00	5.00
\$100.01 - \$200.00	8.00
Greater than \$200.00	12.00

Interested parties must submit application materials to become the LMM for the GTH2 SPX/SPXW LMM Incentive Program no later than 4:00 p.m. ET on Friday, July 25, 2025, to Cboe Membership Services. The application link can be found [here](#). Please contact Cboe Membership Services at [membershipservices@cboe.com](mailto:membershipservices@cboe.com) with any application questions.

## ***ADDITIONAL INFORMATION***

Questions regarding this topic may be directed to the Market Structure and Functionality group. Operational questions may be directed to Cboe Operations Support Center. Regulatory questions may be directed to the Regulatory Interpretations and Guidance team.

We appreciate your business. Our trading community inspires and drives our purpose of building trusted markets.

### **Cboe Market Structure and Functionality**

[msfmgt@cboe.com](mailto:msfmgt@cboe.com)

### **Cboe Operations Support Center**

312.786.7642 | [osc@cboe.com](mailto:osc@cboe.com)

### **Cboe Regulatory Interpretations and Guidance**

312.786.8141 | [reginterps@cboe.com](mailto:reginterps@cboe.com)

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