

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"/>
			Rule		
Pilot <input type="checkbox"/>	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 a rule change to establish fees for options that overlie the S&P Select Sector Index options.

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 * Laura	Last Name * Dickman
Title * Lead Counsel	
E-mail * dickman@cboe.com	
Telephone * (312) 786-7572	Fax <input type="text"/>

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 02/20/2018	Lead Counsel
By Laura G. Dickman	<input style="width: 100%;" type="text"/>
(Name *)	

dickman@cboe.com

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

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the 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 establish fees for options that overlie the S&P Select Sector Index options (“Sector Index options”). 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 20, 2017.

(b) Please refer questions and comments on the proposed rule change to Joanne Moffic-Silver, Executive Vice President, General Counsel, and Corporate Secretary, (312) 786-7462, or Laura G. Dickman, (312) 786-7572, Cboe Exchange, Inc., 400 South LaSalle, Chicago, Illinois 60605.

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

(a) Purpose

On October 4, 2017, the Exchange submitted a proposed rule change to amend certain rules in connection with listing S&P Select Sector Index¹ options under generic

¹ There are ten S&P Select Sector Indexes: S&P Financial Select Sector Index (IXM), S&P Energy Select Sector Index (IXE), S&P Technology Select Sector Index (IXT), S&P Health Care Select Sector Index (IXV), S&P Utilities Select Sector Index (IXU), S&P Consumer Staples Select Sector Index (IXR), S&P Industrials Select Sector Index (IXI), S&P Consumer Discretionary Select Sector Index (IXY), S&P Materials Select Sector Index (IXB), and S&P Real Estate Select Sector Index (IXRE). The options listing symbols for options overlying these indexes will be: SIXM, SIXE, SIXT, SIXV, SIXU, SIXR, SIXI, SIXY, SIXB, and SIXRE, respectively.

narrow-based listing standards, which became effective on November 3, 2017.² The Exchange rules currently permit the Exchange to list and trade options overlying each S&P Select Sector Index (“Sector Index options”). The Exchange proposes to establish fees for Sector Index options.

By way of background, a specific set of proprietary products are commonly included or excluded from a variety of programs, qualification calculations and transaction fees. In lieu of listing out these products in various sections of the Fees Schedule, the Exchange uses the term “Underlying Symbol List A” to represent these products.³ The Exchange notes the reason the products in Underlying Symbol List A are often collectively included or excluded from certain programs, qualification calculations and transactions fees is because the Exchange has expended considerable resources developing and maintaining its proprietary, exclusively listed products. Similar to the products currently represented by “Underlying Symbol List A,” Sector Index options are not listed on any other exchange. As such, the Exchange proposes to establish fees for Sector Index options similar to those applicable to options overlying the indexes in Underlying Symbol List A, as well as similarly exclude those options from several programs from products in Underlying Symbol List A are excluded. The Exchange does not propose to add Sector Index options to Underlying Symbol List A. In lieu of listing out these products in various sections of the Fees Schedule, the Exchange proposes to refer to Sector Indexes in the Fees Schedule (which is defined in proposed footnote 47).

² Securities Exchange Act Release No. 81879 (October 16, 2017), 82 FR 48858 (October 20, 2017) (SR-CBOE-2017-065).

³ Currently, Underlying Symbol List A is defined in Footnote 34 and represents the following proprietary products: OEX, XEO, RUT, RLG, RLV, RUI, AWDE, FTEM, FXTM, UKXM, SPX (including SPXW), VIX, VOLATILITY INDEXES and binary options.

Specifically, like products in Underlying Symbol List A, the Exchange proposes to except Sector Index options from the Volume Incentive Program (“VIP”),⁴ the Marketing Fee,⁵ the Clearing Trading Permit Holder Fee Cap (“Fee Cap”),⁶ exemption from fees for facilitation orders,⁷ the AIM Contra Execution Fee,⁸ the CFLEX AIM Response Fee,⁹ the Clearing Trading Permit Holder Proprietary and/or their Non-Trading Permit Holder Affiliates transaction fee cap for all non-facilitation business executed in AIM or open outcry, or as a QCC or FLEX transaction,¹⁰ the Order Router Subsidy (“ORS”) and Complex Order Router Subsidy (“CORS”) Programs,¹¹ the per contract per side surcharge for noncustomer complex order executions that remove liquidity from the COB and auction response in the complex order auction and AIM,¹² and the calculation of qualifying volume for rebates for Floor Broker Trading Permit Holder Trading Permit Fees.¹³

The Exchange does intend to apply to Sector Index options the Liquidity Provider

⁴ See Cboe Options Fees Schedule, Volume Incentive Program (VIP) table and Footnote 36.

⁵ See Cboe Options Fees Schedule, Footnote 6.

⁶ See Cboe Options Fees Schedule, Footnote 11.

⁷ See Cboe Options Fees Schedule, Footnotes 11 and 12.

⁸ See Cboe Options Fees Schedule, Footnote 18.

⁹ See Cboe Options Fees Schedule, Footnote 20.

¹⁰ See Cboe Options Fees Schedule, Footnote 22.

¹¹ See Cboe Options Fees Schedule, Order Router Subsidy Program and Complex Order Router Subsidy Program table and Footnotes 29 and 30.

¹² See Cboe Options Fees Schedule, Footnote 35.

¹³ See Cboe Options Fees Schedule, Footnote 25.

Sliding Scale.¹⁴ Although the Exchange proposes fees for Sector Index options similar to those established for products in “Underlying Symbol List A,” the Exchange proposes to apply to Sector Index options the Liquidity Provider Sliding Scale to encourage Market-Makers to provide liquidity in these classes and believes that including them in this sliding scale will provide such incentive.

The Exchange next proposes to establish transaction fees for Sector Index options. Particularly, the Exchange proposes to assess the same fees for Sector Index options as apply to OEX Weekly and XEO Weekly options, except for Market-Maker transaction fees, which will be subject to the Liquidity Provider Sliding Scale as described above, and except for Clearing Trading Permit Holder Proprietary transactions, which will be \$0.25 rather than subject to the Proprietary Products Sliding Scale for Clearing Trading Permit Holder Proprietary Orders. Transaction fees for Sector Index options will be as follows (all listed rates are per contract)¹⁵:

Customer (origin code C)	\$0.30
Clearing Trading Permit Holder Proprietary (origin codes F and L)	\$0.25
Market-Maker (origin code M)	Liquidity Provider Sliding Scale
Joint Back-Office, Broker-Dealer, Non-Trading Permit Holder Market-Maker, Professional/Voluntary Professional (origin codes BNWJ)	\$0.40

The Exchange also proposes to apply to Sector Index options the CFLEX

¹⁴ See Cboe Options Fees Schedule, Specified Proprietary Index Options Rate Table – Underlying Symbol List A and Sector Indexes.

¹⁵ See id.

Surcharge Fee of \$0.10 per contract for all Sector Index option orders executed electronically on CFLEX, capped at \$250 per trade (i.e., first 2,500 contracts per trade).¹⁶

The CFLEX Surcharge Fee assists the Exchange in recouping the cost of developing and maintaining the CFLEX system. The Exchange notes that the CFLEX Surcharge Fee (and \$250 cap) also applies to other proprietary index options, including products in Underlying Symbol List A.

The Exchange currently assesses an Index License Surcharge of \$0.10 per contract for all non-customer orders for products in Underlying Symbol A except RUT and SPX. The Exchange proposes to assess a Surcharge of \$0.10 per contract in order to recoup the costs associated with the Sector Index license. In order to promote and encourage trading of Sector Index options, the Exchange proposes to waive the Index License Surcharge for Sector Index option transactions through June 30, 2018.¹⁷

(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.¹⁸ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹⁹ 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,

¹⁶ See id.

¹⁷ See id.

¹⁸ 15 U.S.C. 78f(b).

¹⁹ 15 U.S.C. 78f(b)(5).

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)²⁰ 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,²¹ 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.

Particularly, the Exchange believes it is reasonable to charge different fee amounts to different user types in the manner proposed because the proposed fees are consistent with the price differentiation that exists today for other index products, including those in Underlying Symbol A. The Exchange also believes that the proposed fee amounts for Sector Index option orders are reasonable because the proposed fee amounts are the same already assessed for other proprietary products (i.e. OEX Weeklys and XEO Weeklys), as well as are within the range of amounts assessed for the Exchange's other proprietary products.²²

The Exchange believes that it is equitable and not unfairly discriminatory to assess lower fees to Customers as compared to certain other market participants except Market-Makers and Clearing Trading Permit Holders because Customer order flow enhances

²⁰ Id.

²¹ 15 U.S.C. 78f(b)(4).

²² See Cboe Options Fees Schedule, Specified Proprietary Index Options Rate Table – Underlying Symbol A and Sector Indexes.

liquidity on the Exchange for the benefit of all market participants. Specifically, customer liquidity benefits all market participants by providing more trading opportunities, which attracts Market-Makers. An increase in the activity of these market participants in turn facilitates tighter spreads, which may cause an additional corresponding increase in order flow from other market participants. The fees offered to customers are intended to attract more customer trading volume to the Exchange. Moreover, the options industry has a long history of providing preferential pricing to Customers, and the Exchange's current Fees Schedule currently does so in many places, as do the fees structures of many other exchanges. Finally, all fee amounts listed as applying to Customers will be applied equally to all Customers (meaning that all Customers will be assessed the same amount).

The Exchange believes that it is equitable and not unfairly discriminatory to, assess lower fees to Market-Makers pursuant to the Liquidity Provider Sliding Scale as compared to other market participants because Market-Makers, unlike other market participants, take on a number of obligations, including quoting obligations, that other market participants do not have. Further, these lower fees offered to Market-Makers are intended to incent Market-Makers to quote and trade more on the Exchange, thereby providing more trading opportunities for all market participants. Additionally, the proposed fee for Market-Makers will be applied equally to all Market-Makers (meaning that all Market-Makers will be subject to the Liquidity Provider Sliding Scale). This concept also applies to orders from all other origins. It should also be noted that all fee amounts described herein are intended to attract greater order flow to the Exchange in Sector Index options, which should therefore serve to benefit all Exchange market participants.

Similarly, it is equitable and not unfairly discriminatory to assess lower fees to Clearing Trading Permit Holder Proprietary orders than those of other market participants (except Market-Makers) because Clearing Trading Permit Holders also have a number of obligations (such as membership with the Options Clearing Corporation), significant regulatory burdens, and financial obligations, that other market participants do not need to take on. The Exchange also notes that the Sector Index option fee amounts for each separate type of market participant will be assessed equally to all such market participants (i.e. all Broker-Dealer orders will be assessed the same amount, all Joint Back-Office orders will be assessed the same amount, etc.). The Exchange believes the proposed transaction fee of \$0.25 per contract for Clearing Trading Permit Holders is reasonable, equitable, and not unfairly discriminatory because is comparable to the amount of transaction fees for Clearing Trading Permit Holders in other proprietary products.²³

The Exchange believes the proposed transaction fees for Brokers Dealers, Non-Trading Permit Holder Market-Makers, Professionals/Voluntary Professionals, JBOs and Customers are reasonable because they are the same as those assessed for transactions in certain other proprietary products.²⁴ The Exchange also notes that the Sector Index option fee amounts for each separate type of market participant will be assessed equally to all such market participants (i.e. all Broker-Dealer orders will be assessed the same amount, all Joint Back-Office orders will be assessed the same amount, etc.).

The Exchange believes that assessing an Index License Surcharge Fee of \$0.10 per contract to Sector Index option transactions is reasonable because the Surcharge helps

²³ See Cboe Options Fee Schedule, Cboe Options Clearing Trading Permit Holder Proprietary Products Sliding Scales Table. The maximum transaction fee per contract in that table is \$0.25.

²⁴ Id.

recoup some of the costs associated with the license for Sector Index options. Additionally, the Exchange notes that the Surcharge amount is the same as, and in some cases lower than, the amount assessed as an Index License Surcharge to other index products. The proposed Surcharge is also equitable and not unfairly discriminatory because the amount will be assessed to all market participants to whom the Surcharge applies. Not applying the Sector Index License Surcharge Fee to Customer orders is equitable and not unfairly discriminatory because this is designed to attract Customer Sector Index option orders, which increases liquidity and provides greater trading opportunities to all market participants. The Exchange believes it is reasonable, equitable and not unfairly discriminatory to waive the Index License Surcharge because it promotes and encourages trading of these new products and applies to all Trading Permit Holders.

Similarly, the Exchange believes assessing a CFLEX Surcharge Fee of \$0.10 per contract for all Sector Index option orders executed electronically on CFLEX and capping it at \$250 (i.e., first 2,500 contracts per trade) is reasonable because it is the same amount currently charged to other proprietary index products for the same transactions.²⁵ The proposed Surcharge is also equitable and not unfairly discriminatory because the amount will be assessed to all market participants to whom the CFLEX Surcharge applies.

Excepting VIP, the Marketing Fee, the Fee Cap, exemption from fees for facilitation orders, the AIM Contra Execution Fee, the CFLEX AIM Response Fee, the Clearing Trading Permit Holder Proprietary and/or their Non-Trading Permit Holder Affiliates transaction fee cap for all non-facilitation business executed in AIM or open

²⁵ See Cboe Options Fees Schedule, Index Options Rate Table - All Index Products Excluding Underlying Symbol List A and Sector Indexes, CFLEX Surcharge Fee and Specified Proprietary Index Options Rate Table - Underlying Symbol List A and Sector Indexes, CFLEX Surcharge Fee.

outcry, or as a QCC or FLEX transaction, the ORS and CORS Programs,²⁶ the per contract per side surcharge for noncustomer complex order executions that remove liquidity from the COB and auction response in the complex order auction and AIM,²⁷ and the calculation of qualifying volume for rebates for Floor Broker Trading Permit Holder Trading Permit Fees is reasonable because other proprietary products are excepted from those same items. This is equitable and not unfairly discriminatory for the same reason; it seems equitable to except Sector Index options from items on the Fees Schedule from which other proprietary products are also excepted.

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

The Exchange does not believe that the proposed rule changes will impose any burden on competition that are not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe that the proposed rule change will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because, while different fees are assessed to different market participants in some circumstances, these different market participants have different obligations and different circumstances as discussed above. For example, Market-Makers have quoting obligations that other market participants do not have. The Exchange does not believe the proposed rule change to waive the Index License Surcharge through June 30, 2018 will impose any burden on intramarket competition because it applies to all Trading Permit Holders and encourages trading in these new products.

²⁶ See Cboe Options Fees Schedule, Order Router Subsidy Program and Complex Order Router Subsidy Program table and Footnotes 29 and 30.

²⁷ See Cboe Options Fees Schedule, Footnote 22.

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 Sector Index options will be exclusively listed on Cboe Options. To the extent that the proposed changes make Cboe Options a more attractive marketplace for market participants at other exchanges, such market participants are welcome to become Cboe Options market participants.

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

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

Item 6. Extension of Time Period for Commission Action

Not applicable.

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

(a) The proposed rule change is filed for immediate effectiveness pursuant to Section 19(b)(3)(A) of the Act²⁸ and Rule 19b-4(f)(2)²⁹ 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

²⁸ 15 U.S.C. 78s(b)(3)(A).

²⁹ 17 CFR 240.19b-4(f)(2).

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-2018-012]

[Insert date]

Self-Regulatory Organizations; Cboe Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Establish Fees for Options that Overlie the S&P Select Sector Index Options

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

The Exchange proposes to establish fees for options that overlie the S&P Select Sector Index options (“Sector Index options”). The text of the proposed rule change is provided in Exhibit 5.

The text of the proposed rule change is also available on the Exchange’s website (<http://www.cboe.com/AboutCBOE/CBOELegalRegulatoryHome.aspx>), at the Exchange’s Office of the Secretary, and at the Commission’s Public Reference Room.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

On October 4, 2017, the Exchange submitted a proposed rule change to amend certain rules in connection with listing S&P Select Sector Index³ options under generic narrow-based listing standards, which became effective on November 3, 2017.⁴ The Exchange rules currently permit the Exchange to list and trade options overlying each S&P Select Sector Index (“Sector Index options”). The Exchange proposes to establish fees for Sector Index options.

By way of background, a specific set of proprietary products are commonly included or excluded from a variety of programs, qualification calculations and

³ There are ten S&P Select Sector Indexes: S&P Financial Select Sector Index (IXM), S&P Energy Select Sector Index (IXE), S&P Technology Select Sector Index (IXT), S&P Health Care Select Sector Index (IXV), S&P Utilities Select Sector Index (IXU), S&P Consumer Staples Select Sector Index (IXR), S&P Industrials Select Sector Index (IXI), S&P Consumer Discretionary Select Sector Index (IXY), S&P Materials Select Sector Index (IXB), and S&P Real Estate Select Sector Index (IXRE). The options listing symbols for options overlying these indexes will be: SIXM, SIXE, SIXT, SIXV, SIXU, SIXR, SIXI, SIXY, SIXB, and SIXRE, respectively.

⁴ Securities Exchange Act Release No. 81879 (October 16, 2017), 82 FR 48858 (October 20, 2017) (SR-CBOE-2017-065).

transaction fees. In lieu of listing out these products in various sections of the Fees Schedule, the Exchange uses the term “Underlying Symbol List A” to represent these products.⁵ The Exchange notes the reason the products in Underlying Symbol List A are often collectively included or excluded from certain programs, qualification calculations and transactions fees is because the Exchange has expended considerable resources developing and maintaining its proprietary, exclusively listed products. Similar to the products currently represented by “Underlying Symbol List A,” Sector Index options are not listed on any other exchange. As such, the Exchange proposes to establish fees for Sector Index options similar to those applicable to options overlying the indexes in Underlying Symbol List A, as well as similarly exclude those options from several programs from products in Underlying Symbol List A are excluded. The Exchange does not propose to add Sector Index options to Underlying Symbol List A. In lieu of listing out these products in various sections of the Fees Schedule, the Exchange proposes to refer to Sector Indexes in the Fees Schedule (which is defined in proposed footnote 47).

Specifically, like products in Underlying Symbol List A, the Exchange proposes to except Sector Index options from the Volume Incentive Program (“VIP”),⁶ the Marketing Fee,⁷ the Clearing Trading Permit Holder Fee Cap (“Fee Cap”),⁸ exemption

⁵ Currently, Underlying Symbol List A is defined in Footnote 34 and represents the following proprietary products: OEX, XEO, RUT, RLG, RLV, RUI, AWDE, FTEM, FXTM, UKXM, SPX (including SPXW), VIX, VOLATILITY INDEXES and binary options.

⁶ See Cboe Options Fees Schedule, Volume Incentive Program (VIP) table and Footnote 36.

⁷ See Cboe Options Fees Schedule, Footnote 6.

⁸ See Cboe Options Fees Schedule, Footnote 11.

from fees for facilitation orders,⁹ the AIM Contra Execution Fee,¹⁰ the CFLEX AIM Response Fee,¹¹ the Clearing Trading Permit Holder Proprietary and/or their Non-Trading Permit Holder Affiliates transaction fee cap for all non-facilitation business executed in AIM or open outcry, or as a QCC or FLEX transaction,¹² the Order Router Subsidy (“ORS”) and Complex Order Router Subsidy (“CORS”) Programs,¹³ the per contract per side surcharge for noncustomer complex order executions that remove liquidity from the COB and auction response in the complex order auction and AIM,¹⁴ and the calculation of qualifying volume for rebates for Floor Broker Trading Permit Holder Trading Permit Fees.¹⁵

The Exchange does intend to apply to Sector Index options the Liquidity Provider Sliding Scale.¹⁶ Although the Exchange proposes fees for Sector Index options similar to those established for products in “Underlying Symbol List A,” the Exchange proposes to apply to Sector Index options the Liquidity Provider Sliding Scale to encourage Market-Makers to provide liquidity in these classes and believes that including them in this sliding scale will provide such incentive.

The Exchange next proposes to establish transaction fees for Sector Index options.

⁹ See Cboe Options Fees Schedule, Footnotes 11 and 12.

¹⁰ See Cboe Options Fees Schedule, Footnote 18.

¹¹ See Cboe Options Fees Schedule, Footnote 20.

¹² See Cboe Options Fees Schedule, Footnote 22.

¹³ See Cboe Options Fees Schedule, Order Router Subsidy Program and Complex Order Router Subsidy Program table and Footnotes 29 and 30.

¹⁴ See Cboe Options Fees Schedule, Footnote 35.

¹⁵ See Cboe Options Fees Schedule, Footnote 25.

¹⁶ See Cboe Options Fees Schedule, Specified Proprietary Index Options Rate Table – Underlying Symbol List A and Sector Indexes.

Particularly, the Exchange proposes to assess the same fees for Sector Index options as apply to OEX Weekly and XEO Weekly options, except for Market-Maker transaction fees, which will be subject to the Liquidity Provider Sliding Scale as described above, and except for Clearing Trading Permit Holder Proprietary transactions, which will be \$0.25 rather than subject to the Proprietary Products Sliding Scale for Clearing Trading Permit Holder Proprietary Orders. Transaction fees for Sector Index options will be as follows (all listed rates are per contract)¹⁷:

Customer (origin code C)	\$0.30
Clearing Trading Permit Holder Proprietary (origin codes F and L)	\$0.25
Market-Maker (origin code M)	Liquidity Provider Sliding Scale
Joint Back-Office, Broker-Dealer, Non-Trading Permit Holder Market-Maker, Professional/Voluntary Professional (origin codes BNWJ)	\$0.40

The Exchange also proposes to apply to Sector Index options the CFLEX Surcharge Fee of \$0.10 per contract for all Sector Index option orders executed electronically on CFLEX, capped at \$250 per trade (i.e., first 2,500 contracts per trade).¹⁸ The CFLEX Surcharge Fee assists the Exchange in recouping the cost of developing and maintaining the CFLEX system. The Exchange notes that the CFLEX Surcharge Fee (and \$250 cap) also applies to other proprietary index options, including products in Underlying Symbol List A.

¹⁷ See id.

¹⁸ See id.

The Exchange currently assesses an Index License Surcharge of \$0.10 per contract for all non-customer orders for products in Underlying Symbol A except RUT and SPX. The Exchange proposes to assess a Surcharge of \$0.10 per contract in order to recoup the costs associated with the Sector Index license. In order to promote and encourage trading of Sector Index options, the Exchange proposes to waive the Index License Surcharge for Sector Index option transactions through June 30, 2018.¹⁹

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.²⁰ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)²¹ 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)²² requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers. The Exchange also

¹⁹ See id.

²⁰ 15 U.S.C. 78f(b).

²¹ 15 U.S.C. 78f(b)(5).

²² Id.

believes the proposed rule change is consistent with Section 6(b)(4) of the Act,²³ 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.

Particularly, the Exchange believes it is reasonable to charge different fee amounts to different user types in the manner proposed because the proposed fees are consistent with the price differentiation that exists today for other index products, including those in Underlying Symbol A. The Exchange also believes that the proposed fee amounts for Sector Index option orders are reasonable because the proposed fee amounts are the same already assessed for other proprietary products (i.e. OEX Weeklys and XEO Weeklys), as well as are within the range of amounts assessed for the Exchange's other proprietary products.²⁴

The Exchange believes that it is equitable and not unfairly discriminatory to assess lower fees to Customers as compared to certain other market participants except Market-Makers and Clearing Trading Permit Holders because Customer order flow enhances liquidity on the Exchange for the benefit of all market participants. Specifically, customer liquidity benefits all market participants by providing more trading opportunities, which attracts Market-Makers. An increase in the activity of these market participants in turn facilitates tighter spreads, which may cause an additional corresponding increase in order flow from other market participants. The fees offered to customers are intended to attract more customer trading volume to the Exchange. Moreover, the options industry has a long history of providing preferential pricing to Customers, and the Exchange's current Fees

²³ 15 U.S.C. 78f(b)(4).

²⁴ See Cboe Options Fees Schedule, Specified Proprietary Index Options Rate Table – Underlying Symbol A and Sector Indexes.

Schedule currently does so in many places, as do the fees structures of many other exchanges. Finally, all fee amounts listed as applying to Customers will be applied equally to all Customers (meaning that all Customers will be assessed the same amount).

The Exchange believes that it is equitable and not unfairly discriminatory to, assess lower fees to Market-Makers pursuant to the Liquidity Provider Sliding Scale as compared to other market participants because Market-Makers, unlike other market participants, take on a number of obligations, including quoting obligations, that other market participants do not have. Further, these lower fees offered to Market-Makers are intended to incent Market-Makers to quote and trade more on the Exchange, thereby providing more trading opportunities for all market participants. Additionally, the proposed fee for Market-Makers will be applied equally to all Market-Makers (meaning that all Market-Makers will be subject to the Liquidity Provider Sliding Scale). This concept also applies to orders from all other origins. It should also be noted that all fee amounts described herein are intended to attract greater order flow to the Exchange in Sector Index options, which should therefore serve to benefit all Exchange market participants.

Similarly, it is equitable and not unfairly discriminatory to assess lower fees to Clearing Trading Permit Holder Proprietary orders than those of other market participants (except Market-Makers) because Clearing Trading Permit Holders also have a number of obligations (such as membership with the Options Clearing Corporation), significant regulatory burdens, and financial obligations, that other market participants do not need to take on. The Exchange also notes that the Sector Index option fee amounts for each separate type of market participant will be assessed equally to all such market participants (i.e. all Broker-Dealer orders will be assessed the same amount, all Joint Back-Office orders will be

assessed the same amount, etc.). The Exchange believes the proposed transaction fee of \$0.25 per contract for Clearing Trading Permit Holders is reasonable, equitable, and not unfairly discriminatory because is comparable to the amount of transaction fees for Clearing Trading Permit Holders in other proprietary products.²⁵

The Exchange believes the proposed transaction fees for Brokers Dealers, Non-Trading Permit Holder Market-Makers, Professionals/Voluntary Professionals, JBOs and Customers are reasonable because they are the same as those assessed for transactions in certain other proprietary products.²⁶ The Exchange also notes that the Sector Index option fee amounts for each separate type of market participant will be assessed equally to all such market participants (i.e. all Broker-Dealer orders will be assessed the same amount, all Joint Back-Office orders will be assessed the same amount, etc.).

The Exchange believes that assessing an Index License Surcharge Fee of \$0.10 per contract to Sector Index option transactions is reasonable because the Surcharge helps recoup some of the costs associated with the license for Sector Index options. Additionally, the Exchange notes that the Surcharge amount is the same as, and in some cases lower than, the amount assessed as an Index License Surcharge to other index products. The proposed Surcharge is also equitable and not unfairly discriminatory because the amount will be assessed to all market participants to whom the Surcharge applies. Not applying the Sector Index License Surcharge Fee to Customer orders is equitable and not unfairly discriminatory because this is designed to attract Customer Sector Index option orders, which increases liquidity and provides greater trading opportunities to all market participants. The Exchange

²⁵ See Cboe Options Fee Schedule, Cboe Options Clearing Trading Permit Holder Proprietary Products Sliding Scales Table. The maximum transaction fee per contract in that table is \$0.25.

²⁶ Id.

believes it is reasonable, equitable and not unfairly discriminatory to waive the Index License Surcharge because it promotes and encourages trading of these new products and applies to all Trading Permit Holders.

Similarly, the Exchange believes assessing a CFLEX Surcharge Fee of \$0.10 per contract for all Sector Index option orders executed electronically on CFLEX and capping it at \$250 (i.e., first 2,500 contracts per trade) is reasonable because it is the same amount currently charged to other proprietary index products for the same transactions.²⁷ The proposed Surcharge is also equitable and not unfairly discriminatory because the amount will be assessed to all market participants to whom the CFLEX Surcharge applies.

Excepting VIP, the Marketing Fee, the Fee Cap, exemption from fees for facilitation orders, the AIM Contra Execution Fee, the CFLEX AIM Response Fee, the Clearing Trading Permit Holder Proprietary and/or their Non-Trading Permit Holder Affiliates transaction fee cap for all non-facilitation business executed in AIM or open outcry, or as a QCC or FLEX transaction, the ORS and CORS Programs,²⁸ the per contract per side surcharge for noncustomer complex order executions that remove liquidity from the COB and auction response in the complex order auction and AIM,²⁹ and the calculation of qualifying volume for rebates for Floor Broker Trading Permit Holder Trading Permit Fees is reasonable because other proprietary products are excepted from those same items. This is equitable and not unfairly discriminatory for the same

²⁷ See Cboe Options Fees Schedule, Index Options Rate Table - All Index Products Excluding Underlying Symbol List A and Sector Indexes, CFLEX Surcharge Fee and Specified Proprietary Index Options Rate Table - Underlying Symbol List A and Sector Indexes, CFLEX Surcharge Fee.

²⁸ See Cboe Options Fees Schedule, Order Router Subsidy Program and Complex Order Router Subsidy Program table and Footnotes 29 and 30.

²⁹ See Cboe Options Fees Schedule, Footnote 22.

reason; it seems equitable to except Sector Index options from items on the Fees Schedule from which other proprietary products are also excepted.

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

The Exchange does not believe that the proposed rule changes will impose any burden on competition that are not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe that the proposed rule change will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because, while different fees are assessed to different market participants in some circumstances, these different market participants have different obligations and different circumstances as discussed above. For example, Market-Makers have quoting obligations that other market participants do not have. The Exchange does not believe the proposed rule change to waive the Index License Surcharge through June 30, 2018 will impose any burden on intramarket competition because it applies to all Trading Permit Holders and encourages trading in these new products.

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 Sector Index options will be exclusively listed on Cboe Options. To the extent that the proposed changes make Cboe Options a more attractive marketplace for market participants at other exchanges, such market participants are welcome to become Cboe Options market participants.

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

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

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act³⁰ and paragraph (f) of Rule 19b-4³¹ thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-CBOE-2018-012 on the subject line.

³⁰ 15 U.S.C. 78s(b)(3)(A).

³¹ 17 CFR 240.19b-4(f).

Paper comments:

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-CBOE-2018-012. 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-2018-012 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.³²

³² 17 CFR 200.30-3(a)(12).

Secretary

Changes are indicated by underlining additions and [bracketing] deletions.

Cboe Exchange, Inc.
Fees Schedule - February [1] 20, 2018

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Index Options Rate Table - All Index Products Excluding Underlying Symbol List A (34) and Sector Indexes (47)		Origin Code	Transaction Fee Per Contract					AIM Contra (18)	CFLEX AIM Response (20)
			Manual		Electronic		AIM Agency/Primary (19)		
			Penny Classes	Non-Penny Classes	Penny Classes	Non-Penny Classes			
Customer (2)	XSP, MXEA and MXEF Only	C			\$0.00		\$0.07	\$0.00	
	All Index Products Excluding Underlying Symbol List A (34) and Sector Indexes (47)				\$0.18			\$0.18	
	Clearing Trading Permit Holder Proprietary (11)(12)(16)	F L	\$0.20 - See Clearing Trading Permit Holder Fee Cap		\$0.43	\$0.70	\$0.20 - See Clearing Trading Permit Holder Fee Cap	\$0.25	
	Facilitation (11)	F L			\$0.00			\$0.00	
	Cboe Options Market-Maker/DPM/LMM (10)(42)	M	See Liquidity Provider Sliding Scale and Liquidity Provider Sliding Scale Adjustment Table						
	Broker-Dealer (16)	B							
	Non-Trading Permit Holder Market Maker (16)	N	\$0.25		\$0.47	\$0.75	\$0.20	\$0.25	
	Professional /Voluntary Professional /Joint Back-Office	W J	\$0.12 W Origin Code Only					\$0.30	
Surcharge Fee (14) Index License	DJX, MXEA and MXEF	F J L M B N W			\$0.10				
	MNX and NDX				\$0.25				
	CFLEX Surcharge Fee (17) - DJX, MXEA, MXEF and XSP Only	C F J L M B N W			\$0.10 (capped at \$250 per trade)				
	Exotic Surcharge (42)	C			\$0.25				
	Exotic Surcharge (42) - XSP Only				\$0.03				
	Complex Surcharge (35)	F J L M B N W			\$0.12				

Specified Proprietary Index Options Rate Table - Underlying Symbol List A (34) and Sector Indexes (47)(41) (Also applies to ETH)(37)

Options Transaction Fees (1)(3)(4)(7)(15)(32)(39)

Origin	Products	Origin Code	Transaction Fee Per Contract by Premium Price			VIX Only SPX (incl SPXW) in ETH Only	
			\$0.00 - \$0.10	\$0.11 - \$0.99	\$1.00+	AIM Agency/Primary (19)	AIM Contra (18)
Customer (2)	OEX and XEO	C	\$0.40				
	OEX Weeklys, [and]XEO Weeklys and Sector Indexes (47)		\$0.30				
	RUT,RLG, RLV, RUI, AWDE, FTEM, FXTM and UKXM (40)		\$0.18				
	SPX (incl SPXW)		\$0.35	\$0.44	\$0.45	See Rates to Left	
	VIX and VOLATILITY INDEXES		\$0.10	\$0.25	\$0.45	See Rates to Left	
Clearing Trading Permit Holder Proprietary (11)(12)(16)(40)	Underlying Symbol List A (34)	F L	\$0.25 - See Cboe Options Clearing Trading Permit Holder Proprietary Products Sliding Scales				
	Sector Indexes (47)		\$0.25			See Rates to Left	
Cboe Options Market-Maker/ DPM/LMM (10)(38)(42)(43)	SPX (incl SPXW)(41)	M	See SPX Liquidity Provider Sliding Scale				
	RUT, RLG, RLV, RUI, AWDE, FTEM, FXTM, UKXM, OEX and XEO (40)		\$0.20				
	VIX and VOLATILITY INDEXES (43) (45)		\$0.05	\$0.23	\$0.45	See Rates to Left	
	Sector Indexes (47)		See Liquidity Provider Sliding Scale and Liquidity Provider Sliding Scale Adjustment Table				
Joint Back-Office (45)	OEX, XEO, SPX (incl SPXW), VIX, [and] Volatility Indexes and Sector Indexes (47)	B N W J	\$0.40				
Broker-Dealer (16)(45)							
Non-Trading Permit Holder Market Maker (16)(45)							
Professional/Voluntary Professional (45)							
Broker-Dealer (16)							
Non-Trading Permit Holder Market Maker (16)			RUT, RLG, RLV, RUI, AWDE, FTEM, FXTM and UKXM (40)		\$0.25 Manual and AIM/ \$0.65 non-AIM Electronic		
Professional/Voluntary Professional/Joint Back-Office							
Surcharge Fee (14) (Also applies to ETH)(37)	Index License (41)	RUT	\$0.45				
		SPX (incl SPXW) (41)	\$0.16				
	Product Research & Development - GVZ, VXEEM, VXEWZ and OVX	F J L M B N W	\$0.10			(This surcharge is waived, through June 30, 2018, for Sector Indexes (47) and for origin codes F and L for VIX transactions where the VIX Premium is ≤ \$0.10 and the related series has an expiration of seven (7) calendar days or less.)	
CFLEX Surcharge Fee (17)(40)		C F J L M B N W	\$0.10 (capped at \$250 per trade)				
Exotic Surcharge (42)		C	\$0.25				
Hybrid 3.0 Execution Surcharge (SPX only) (15)(21)		C F J L B N W	\$0.21				
Customer Priority Surcharge (31) (Also applies to ETH)(37)	SPXW (electronic only)	C	\$0.10				
	VIX (Maker non-turner)		\$0.00	\$0.20			

Liquidity Provider Sliding Scale (10)(32)

Origin	Tier	Volume Thresholds	Origin Code	Transaction Fee Per Contract	Notes
Cboe Options Market-Maker/DPM/LMM	1	0.00% - 0.05%	M	\$0.23	Volume thresholds are based on total national Market-Maker volume in all underlying symbols excluding Underlying Symbol List A (34) during the calendar month. Applies in all underlying symbols excluding Underlying Symbol List A (34).
	2	Above 0.05% - 0.80%		\$0.17	
	3	Above 0.80% - 1.50%		\$0.10	
	4	Above 1.50% - 2.25%		\$0.05	
	5	Above 2.25%		\$0.03	

Liquidity Provider Sliding Scale Adjustment Table (44)

Origin	Performance Tier	Make Rate (% Based on Prior Month)	Origin Code	Maker Rebate		Taker Fee	
				Penny Classes	Non-Penny Classes	Penny Classes	Non-Penny Classes
Cboe Options Market-Maker/DPM/LMM	1	0% - 50%	M	\$0.00	\$0.00	\$0.05	\$0.10
	2	Above 50% - 60%		\$0.00	\$0.00	\$0.04	\$0.07
	3	Above 60% - 75%		(\$0.01)	\$0.00	\$0.03	\$0.05
	4	Above 75% - 90%		(\$0.02)	\$0.00	\$0.00	\$0.04
	5	Above 90%		(\$0.03)	\$0.00	\$0.00	\$0.00

Volume Incentive Program (VIP)(23)(36)							
Origin	Tier	Percentage Thresholds of National Customer Volume in All Underlying Symbols Excluding Underlying Symbol List A (34), Sector Indexes (47), DJX, MXEA, MXEF, MNX, NDX, XSP and XSPAM (Monthly)	Origin Code	Per Contract Credit			
				Simple		Complex	
				Non-AIM	AIM	Non-AIM	AIM

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Order Router Subsidy Program (29)			
Description	Origin Code	Subsidy Per Contract	Notes
ORS Program	C	\$0.00	Cboe Options may enter into subsidy arrangements with Trading Permit Holders ("TPHs") or broker-dealers that are not Cboe Options Trading Permit Holders ("Non-Cboe Options TPHs") that provide certain routing functionalities to other Cboe Options TPHs, Non-Cboe Options TPHs and/or use such functionalities themselves. Participating TPHs or participating Non-Cboe Options TPHs will receive a payment from Cboe Options for every executed contract (excluding those executed in AIM) for orders routed to Cboe Options through that participating Cboe Options TPH or Non-Cboe Options TPH's system to subsidize their costs associated with providing order routing functionalities. ORS/CORS participants whose total aggregate non-customer ORS and CORS volume is greater than 0.25% of the total national volume (excluding volume in options classes included in Underlying Symbol List A, Sector Indexes (47), DJX, MXEA, MXEF, XSP or XSPAM) will receive an additional payment for all executed contracts exceeding that threshold during a calendar month.
	F J L M B N W	\$0.07	
		\$0.07	

Complex Order Router Subsidy Program (30)			
Description	Origin Code	Subsidy Per Contract	Notes
CORS Program	C	\$0.00	Cboe Options may enter into subsidy arrangements with Trading Permit Holders ("TPHs") or broker-dealers that are not Cboe Options Trading Permit Holders ("Non-Cboe Options TPHs") that provide certain complex order routing functionalities to other Cboe Options TPHs, Non-Cboe Options TPHs and/or use such functionalities themselves. Participating TPHs or participating Non-Cboe Options TPHs will receive a payment from Cboe Options for every executed contract (excluding those executed in AIM) for complex orders routed to Cboe Options through that participating Cboe Options TPH or Non-Cboe Options TPH's system to subsidize their costs associated with providing order routing functionalities. ORS/CORS participants whose total aggregate non-customer ORS and CORS volume is greater than 0.25% of the total national volume (excluding volume in options classes included in Underlying Symbol List A, Sector Indexes (47), DJX, MXEA, MXEF, XSP or XSPAM) will receive an additional payment for all executed contracts exceeding that threshold during a calendar month.
	F J L M B N W	\$0.07	
		\$0.07	

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Footnotes:	
Footnote Number	Description

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6	The marketing fee will be assessed only on transactions of Market-Makers (including DPMs and LMMs), resulting from (i) customer orders from payment accepting firms, or (ii) customer orders that have designated a DPM under Cboe Options Rule 8.80, a "Preferred Market-Maker" under Cboe Options Rule 8.13 or a "Lead Market-Maker" under Cboe Options Rule 8.15 (collectively "Preferred Market-Makers") at the per contract rate provided above on all classes of equity options, options on ETFs, options on ETNs and index options; except that the marketing fee shall not apply to Sector Indexes (47), DJX, MXEA, MXEF, MNX, NDX, XSP or Underlying Symbol List A (34) excluding RUT and binary options. The fee will not apply to: Market-Maker-to-Market-Maker transactions including transactions resulting from orders from non-Trading Permit Holder market-makers; transactions resulting from accommodation liquidations (cabinet trades); transactions in Flexible Exchange Options; transactions resulting from any of the strategies identified and/or defined in footnote 13 of this Fees Schedule (provided that a rebate request with supporting documentation is submitted to the Exchange within 3 business days of the transaction); transactions executed as a qualified contingent cross ("QCC") under Rule 6.53(u); and transactions in the Penny Pilot classes resulting from orders executed through the Hybrid Agency Liaison under Rule 6.14. A Preferred Market-Maker will be given access to the marketing fee funds generated from a Preferred order. Rebate/Carryover Process. If less than 80% of the marketing fee funds collected in a given month is paid out by the DPM or Preferred Market-Maker in a given month, then the Exchange would refund such surplus at the end of the month on a pro rata basis based upon contributions made by the Market-Makers in that month. However, if 80% or more of the funds collected in a given month is paid out by the DPM or Preferred Market-Maker, there will not be a rebate for that month unless the DPM or Preferred Market-Maker elects to have funds rebated. In the absence of such election, any excess funds will be included in an Excess Pool of funds to be used by the DPM or Preferred Market-Maker in subsequent months. The total balance of the Excess Pool of funds for a DPM or a Preferred Market-Maker cannot exceed \$100,000. If in any month the Excess Pool balance were to exceed \$100,000, the funds in excess of \$100,000 would be refunded on a pro rata basis based upon contributions made by the Market-Makers in that month. In addition, in any month, a DPM or a Preferred Market-Maker can elect to have any funds in its Excess Pool refunded on a pro rata basis based upon contributions made by the Market-Makers in that month. Each month, the Exchange assesses an administrative fee of .45% on the total amount of the funds collected each month; provided, however, that beginning on October 1, 2007, no Market-Maker would contribute more than 15% of the total amount of funds raised by the .45% administrative fee.
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11	The Clearing Trading Permit Holder Fee Cap in all products except Underlying Symbol List A (34) excluding binary options (the "Fee Cap") and Sector Indexes (47), the Cboe Options Proprietary Products Sliding Scale for Clearing Trading Permit Holder Proprietary Orders (the "Proprietary Products Sliding Scale"), the Clearing Trading Permit Holder Proprietary VIX Sliding Rule (the "VIX Sliding Scale"), and the Supplemental VIX Total Firm Discount (the "Supplemental VIX Discount") apply to (i) Clearing Trading Permit Holder proprietary orders ("F" origin code), and (ii) orders of Non-Trading Permit Holder Affiliates of a Clearing Trading Permit Holder. A "Non-Trading Permit Holder Affiliate" for this purpose is a 100% wholly-owned affiliate or subsidiary of a Clearing Trading Permit Holder that is registered as a United States or foreign broker-dealer and that is not a Cboe Options Trading Permit Holder. Only proprietary orders of the Non-Trading Permit Holder Affiliate that clear through a Cboe Options-registered OCC clearing number(s) will be included in calculating the Fee Cap, Proprietary Products Sliding Scale, VIX Sliding Scale, and Supplemental VIX Discount. Such orders must be marked with a code approved by the Exchange identifying the orders as eligible for the Fee Cap, Proprietary Products Sliding Scale, VIX Sliding Scale, and Supplemental VIX Discount (i.e., "L" origin code). The Exchange will aggregate the fees and trading activity of separate Clearing Trading Permit Holders for the purposes of the Fee Cap, Proprietary Products Sliding Scale, VIX Sliding Scale, and Supplemental VIX Discount if there is at least 75% common ownership between the Clearing Trading Permit Holders as reflected on each Clearing Trading Permit Holder's Form BD, Schedule A. A Clearing Trading Permit Holder's fees and contracts executed pursuant to a CMTA agreement (i.e., executed by another clearing firm and then transferred to the Clearing Trading Permit Holder's account at the OCC) are aggregated with the Clearing Trading Permit Holder's non-CMTA fees and contracts for purposes of the Fee Cap, Proprietary Products Sliding Scale, VIX Sliding Scale, and Supplemental VIX Discount. The actual transaction fees resulting from any of the strategies defined in Footnote 13, after relevant caps are applied, will apply towards reaching the Fee Cap. However, contract volume from any such strategies for which the strategy cap is applied will not apply towards reaching the multi-list qualifying tiers for the Proprietary Products Sliding Scale. For facilitation orders (other than Sector Indexes (47) and Underlying Symbol List A (34) excluding binary options) executed in open outcry or as a CFLEX transaction, Cboe Options will assess no Clearing Trading Permit Holder Proprietary transaction fees. "Facilitation orders" for this purpose to be defined as any order in which a Clearing Trading Permit Holder (F) origin code or Non-Trading Permit Holder Affiliate ("L" origin code) is contra to any other origin code, provided the same executing broker and clearing firm are on both sides of the transaction (for open outcry) or both sides of a paired order (for orders executed electronically).
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12	The Clearing Trading Permit Holder Proprietary Transaction Fee shall be waived for Clearing Trading Permit Holders executing facilitation orders in FLEX Options in all underlying symbols excluding Underlying Symbol List A (34) and Sector Indexes (47).
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18	The AIM Contra Execution Fee applies to all orders (excluding facilitation orders, per footnote 11) in all products, except Sector Indexes (47) and Underlying Symbol List A (34) excluding binary options, executed in the Automated Improvement Mechanism ("AIM"), Solicitation Auction Mechanism ("SAM"), FLEX AIM and FLEX SAM auctions, that were initially entered as the contra party to an Agency/Primary Order. This fee will apply to such executions instead of the applicable standard transaction fee except if the applicable standard transaction fee is lower than \$.05 per contract, in which case the applicable standard transaction fee will apply. Applicable standard transaction fees will apply to AIM, SAM, FLEX AIM and FLEX SAM executions in Sector Indexes (47) and Underlying Symbol List A (34) excluding binary options.
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20	<p>The CFLEX AIM Response Fee applies to all broker-dealer and non-Trading Permit Holder market-maker responses in all FLEX products, except <u>Sector Indexes (47) and Underlying Symbol List A (34)</u> excluding binary options, executed in the FLEX AIM or FLEX SAM auctions. This fee will apply to such executions instead of the applicable standard transaction fee. Applicable standard transaction fees will apply to FLEX AIM and FLEX SAM response executions in <u>Sector Indexes (47) and Underlying Symbol List A (34)</u> excluding binary options.</p>

22	<p>For all non-facilitation business executed in AIM or open outcry, or as a QCC or FLEX transaction, transaction fees for Clearing Trading Permit Holder Proprietary and/or their Non-Trading Permit Holder Affiliates (as defined in footnote 11) in all products except <u>Sector Indexes (47) and Underlying Symbol List A (34)</u>, excluding binary options, in the aggregate, are capped at \$75,000 per month per Clearing Trading Permit Holder. As Cboe Options assesses no Clearing Trading Permit Holder Proprietary transaction fees for facilitation orders (other than <u>Sector Indexes (47) and Underlying Symbol List A(34)</u>, excluding binary options) (as described in footnote 11), such trades will not count towards the cap. Surcharge fees do not count towards the cap.</p>

25	<p>The Floor Broker Trading Permit Sliding Scale will be available for all Floor Broker Trading Permits held by affiliated Trading Permit Holders and TPH organizations. To qualify for the rates set forth in Tiers 1 and 2 in the sliding scale, the applicable Trading Permit Holder(s) and/or TPH organization(s) must commit in advance to a specific tier that includes a minimum number of eligible Floor Broker Trading Permits for each calendar year. To do so, a Floor Broker Trading Permit Holder must notify the Registration Services Department by December 29th (or the preceding business day if the 29th is not a business day) of the year prior to each year in which the Floor Broker Trading Permit Holder would like to commit to this sliding scale of the Tier of eligible Floor Broker Trading Permits committed to by that Floor Broker Trading Permit Holder for that year. Floor Brokers are not obligated to commit to either tier. However, the discounts will apply only to those that do commit to Tier 1 or Tier 2 for the calendar year. Trading Permit Holders that are not eligible for and/or do not commit to Tier 1 or Tier 2 will pay the standard rate of \$9,000 for each Floor Broker Trading Permit, regardless of the total number of Floor Broker Trading Permits used. If a Trading Permit Holder chooses to commit to either Tier 1 or Tier 2, that Trading Permit Holder will be responsible for the minimum number of permits in the commitment tier for the remainder of the calendar year. Even if a Trading Permit Holder does not maintain the minimum level of eligible Trading Permits in the tier, that Trading Permit Holder is still responsible for the minimum payment for that commitment tier for the remainder of the calendar year. For example, a Trading Permit Holder that commits to eight eligible permits per month will be subject to a minimum monthly access fee of \$42,000 (1 at \$9,000 plus 6 at \$5,000 plus 1 at \$3,000 = \$42,000) for that calendar year. Any additional Permits will increase the fee by the applicable amount. Trading Permit Holders will be able to commit to a higher tier of the sliding scale for the remainder of a calendar year, during a commitment year, if the Trading Permit Holder obtains enough eligible Floor Broker Trading Permits and provides written notification to the Registration Services Department by the 25th day of the month preceding the month in which the higher tier will be effective (or the preceding business day if the 25th is not a business day). For example, a Trading Permit Holder may provide written notice to commit to Tier 1 effective July 1 for the remainder of the calendar year as long as the Trading Permit Holder obtains enough eligible Trading Permits and provides written notice by June 25th that the Trading Permit Holder would like to participate in the sliding scale starting in July for the remainder of that calendar year. Even if that Trading Permit Holder subsequently falls below the minimum number of eligible Floor Broker Trading Permits (in the committed calendar year), for the committed tier, the Trading Permit Holder will remain responsible for paying for the tier minimum for the remainder of the calendar year. Trading Permit Holders will be responsible to pay for at least the minimum amount of eligible Floor Broker Trading Permits in the committed tier for the calendar year on a monthly basis unless the Trading Permit Holder entirely terminates as a Trading Permit Holder during the year. If a Trading Permit Holder combines, merges, or is acquired during the course of the calendar year, the surviving Trading Permit Holder will maintain responsibility for the committed number of eligible Floor Broker Trading Permits. Any Floor Broker Trading Permit Holder that executes an average of 15,000 customer and/or professional customer and voluntary professional open-outcry contracts per day over the course of a calendar month in all underlying symbols excluding <u>Sector Indexes (47) and Underlying Symbol List A (except RLG, RLV, RUI, AWDE, FTEM, FXTM and UKXM)(34)</u>, DJX, XSP, XSPAM and subcabinet trades, will receive a rebate of \$9,000 on that Floor Broker Trading Permit Holder's Floor Broker Trading Permit fees. Any Floor Broker Trading Permit Holder that executes an average of 25,000 customer and/or professional customer and voluntary professional open-outcry contracts per day over the course of a calendar month in all underlying symbols excluding <u>Sector Indexes (47) and Underlying Symbol List A (except RLG, RLV, RUI, AWDE, FTEM, FXTM and UKXM)(34)</u>, DJX, XSP, XSPAM and subcabinet trades, will receive a rebate of \$14,000 on that Floor Broker Trading Permit Holder's Floor Broker Trading Permit fees. For purposes of determining the rebate, the qualifying volume of all Floor Broker Trading Permit Holders affiliated with a single TPH organization will be aggregated, and, if such total meets or exceeds the customer and/or professional customer and voluntary professional open-outcry contracts per day thresholds in all underlying symbols excluding <u>Sector Indexes (47) and Underlying Symbol List A (except RLG, RLV, RUI, AWDE, FTEM, FXTM and UKXM)(34)</u>, DJX, XSP and XSPAM and subcabinet trades that TPH organization will receive a single rebate, regardless of the number of Floor Broker Trading Permits affiliated with that TPH organization.</p>

29	<p>Any Cboe Options Trading Permit Holder or Non-Cboe Options Trading Permit Holder broker-dealer would be permitted to avail itself of this arrangement, provided that its order routing functionality incorporates certain features and satisfies Cboe Options that it appears to be robust and reliable. To qualify for the subsidy arrangement, a Cboe Options Trading Permit Holder or Non-Cboe Options Trading Permit Holder broker-dealer's order routing functionality has to: (i) enable the electronic routing of orders to all of the U.S. options exchanges, including Cboe Options; (ii) provide current consolidated market data from the U.S. options exchanges; and (iii) be capable of interfacing with Cboe Options's API to access current Cboe Options trade engine functionality. The routing system also needs to cause Cboe Options to be the default destination exchange for individually executed marketable non-customer orders if Cboe Options is at the national best bid or offer ("NBBO"), regardless of size or time, but allow any user to manually override Cboe Options as the default destination on an order-by-order basis. The order routing functionality is required to incorporate a function allowing orders at a specified price to be sent to multiple exchanges with a single click (a "sweep function") and the sweep function would need to be configured to cause an order to be sent to Cboe Options for up to the full size quoted by Cboe Options if Cboe Options is at the NBBO. Participating Cboe Options Trading Permit Holders and Non-Cboe Options Trading Permit Holders are solely responsible for implementing and operating its system. Cboe Options does not make payments under the program with respect to executed contracts in options classes included in Underlying Symbols List A (34), <u>Sector Indexes (47)</u>, DJX, MXEA, MXEF, XSP or XSPAM or with respect to complex orders or spread orders. The Cboe Options Trading Permit Holder or Non-Cboe Options Trading Permit Holder broker-dealer has to agree that they are not entitled to receive any other revenue for the use of its system, specifically with respect to orders routed to Cboe Options. Participating Cboe Options Trading Permit Holders and Non-Cboe Options Trading Permit Holders are not precluded, however, from receiving payment for order flow if they choose to do so. Nothing about the subsidy arrangement relieves any Cboe Options Trading Permit Holder or Non-Cboe Options Trading Permit Holder broker-dealer that is using an order routing functionality whose provider is participating in the ORS Program from complying with its best execution obligations. Specifically, just as with any customer order and any other routing functionality, both a Cboe Options Trading Permit Holder and a non-Cboe Options Trading Permit Holder broker-dealer have an obligation to consider the availability of price improvement at various markets and whether routing a customer order through a functionality that incorporates the features described above would allow for access to such opportunities if readily available. Any user, whether or not a Cboe Options Trading Permit Holder, needs to conduct best execution evaluations on a regular basis, at a minimum quarterly, that include its use of any router incorporating the features described above.</p>
30	<p>Any Cboe Options Trading Permit Holder or Non-Cboe Options Trading Permit Holder broker-dealer is permitted to avail itself of this arrangement, provided that its complex order routing functionality incorporates certain features and satisfies Cboe Options that it appears to be robust and reliable. To qualify for the subsidy arrangement, a Cboe Options Trading Permit Holder or Non-Cboe Options Trading Permit Holder broker-dealer's order routing functionality has to: (i) be capable of interfacing with Cboe Options's API to access current Cboe Options trade engine functionality; (ii) cause Cboe Options to be the default destination exchange for non-customer complex orders, but allow any user to manually override Cboe Options as the default destination on an order-by-order basis; and (iii) provide current consolidated market data for complex orders from the U.S. options exchanges that offer complex order execution systems. In the event that a U.S. options exchange begins offering complex order execution systems after May 6, 2013, each participating Cboe Options Trading Permit Holder and Participating Non-Cboe Options Trading Permit Holder broker-dealer shall have forty-five (45) days from the date that system is first offered to include that exchange's market data for complex orders into the consolidated market data for complex orders provided by its order routing functionality. For purposes of the CORS Program, a "complex order" shall have the definition set forth in the first sentence of Cboe Options Rule 6.53(a)(1). Each Participating Cboe Options Trading Permit Holder and Non-Cboe Options Trading Permit Holder is solely responsible for implementing and operating its system. Cboe Options does not make payments under the program with respect to executed contracts in options classes included in Underlying Symbols List A (34), <u>Sector Indexes (47)</u>, DJX, MXEA, MXEF, XSP or XSPAM. The Cboe Options Trading Permit Holder or Non-Cboe Options Trading Permit Holder broker-dealer has to agree that it is not entitled to receive any other revenue for the use of its system, specifically with respect to complex orders routed to Cboe Options. Participating Cboe Options Trading Permit Holders and Non-Cboe Options Trading Permit Holders are not precluded, however, from receiving payment for order flow if they choose to do so. Nothing about the subsidy arrangement relieves any Cboe Options Trading Permit Holder or Non-Cboe Options Trading Permit Holder broker-dealer that is using an order routing functionality whose provider is participating in the CORS Program from complying with its best execution obligations. Specifically, just as with any customer order and any other routing functionality, both a Cboe Options Trading Permit Holder and a non-Cboe Options Trading Permit Holder broker-dealer have an obligation to consider the availability of price improvement at various markets and whether routing a customer order through a functionality that incorporates the features described above would allow for access to such opportunities if readily available. Any user, whether or not a Cboe Options Trading Permit Holder, needs to conduct best execution evaluations on a regular basis, at a minimum quarterly, that include its use of any router incorporating the features described above.</p>

35	Per contract per side surcharge for noncustomer complex order executions that remove liquidity from the COB and auction responses in the Complex Order Auction ("COA") and the Automated Improvement Mechanism ("AIM") in all classes except <u>Sector Indexes (47)</u> and Underlying Symbol List A. The surcharge will not be assessed, however, on noncustomer complex order executions originating from a Floor Broker PAR, electronic executions against single leg markets, or for stock-option order executions. Auction responses in COA and AIM for noncustomer complex orders in Penny classes will be subject to a cap of \$0.50 per contract, which includes the applicable transaction fee, Complex Surcharge and Marketing Fee (if applicable).
36	The Exchange shall credit each Trading Permit Holder the per contract amount resulting from each public customer ("C" origin code) order transmitted by that Trading Permit Holder which is executed electronically on the Exchange in all underlying symbols excluding Underlying Symbol List A (34), <u>Sector Indexes (47)</u> , DJX, MXEA, MXEF, MNX, NDX, XSP, XSPAM, QCC trades, public customer to public customer electronic complex order executions, and executions related to contracts that are routed to one or more exchanges in connection with the Options Order Protection and Locked/Crossed Market Plan referenced in Rule 6.80, provided the Trading Permit Holder meets certain percentage thresholds in a month as described in the Volume Incentive Program (VIP) table. This payment will be calculated from the first executed contract at the applicable threshold per contract credit. The percentage thresholds are calculated based on the percentage of national customer volume in all underlying symbols excluding Underlying Symbol List A (34), <u>Sector Indexes (47)</u> , MXEA, MXEF, MNX, NDX, DJX, XSP and XSPAM entered and executed over the course of the month. Volume will be recorded for all include origins noted below and credits for customer contracts only will be delivered to the TPH Firm that enters the order into Cboe Command. The Exchange will aggregate the contracts resulting from customer, broker-dealer ("B" origin code), joint back-office ("J" origin code) and professional customer ("W" origin code) orders transmitted and executed electronically on the Exchange from affiliated Trading Permit Holders for purposes of the thresholds described in the VIP table, provided there is at least 75% common ownership between the firms as reflected on each firm's Form BD, Schedule A. Additionally, the Exchange will aggregate all the contracts contained in any complex order (e.g., a 10 lot butterfly spread will count as 40 contracts). In the event of a Cboe Options System outage or other interruption of electronic trading on Cboe Options, the Exchange will adjust the national customer volume in all underlying symbols excluding Underlying Symbol List A (34), <u>Sector Indexes (47)</u> , MXEA, MXEF, MNX, NDX, DJX, XSP and XSPAM for the duration of the outage. A Trading Permit Holder may request to receive its credit under the VIP as a separate direct payment.
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47	<u>Sector Index underlying symbols: IXB, IXE, IXI, IXM, IXR, IXRE, IXT, IXU, IXV AND IXY. Corresponding option symbols: SIXB, SIXE, SIXI, SIXM, SIXR, SIXRE, SIXT, SIXU, SIXV AND SIXY.</u>