



Regulatory Circular RG10-28

To: Member Organizations and Clearing Firms

From: Division of Member and Regulatory Services

Date: February 23, 2010

Re: Modification to Options Regulatory Fee

On February 23, 2010, CBOE filed with the Securities and Exchange Commission for immediate effectiveness a proposed rule change amending the Options Regulatory Fee ("ORF") to eliminate the minimum one-cent charge per trade.¹ All other aspects of the ORF remain the same and, as described below, firms are not specifically required to modify their billing systems.

As discussed in CBOE Regulatory Circular RG09-30, for technical reasons, CBOE is not able to calculate the ORF on a trade-by-trade basis as originally intended. CBOE calculates the ORF by multiplying the aggregate number of contracts executed by each clearing firm every month by the ORF rate and then rounding to the nearest \$.01 using pure rounding (i.e., any digit 5 and above is rounded up). Because the Exchange does not calculate the ORF on a trade-by-trade basis, the Exchange has removed the minimum one-cent charge per trade from its fees schedule.

If a firm that elects to pass the ORF to its customers and assess a minimum one-cent charge per trade collects more ORF from its customers than it pays to CBOE, the firm will determine the manner in which the excess ORF funds are utilized or distributed.

If you have any questions, please contact Lawrence Bresnahan at (312) 786-7713.

¹ See SR-CBOE-2010-020.