

## Regulatory Circular RG14-082

**Date:** May 29, 2014

**To:** Trading Permit Holders  
**From:** Finance and Administration  
**RE:** Updates to Fee Schedule

This circular explains updates to the Fees Schedule for Chicago Board Options Exchange, Inc. (“CBOE” or the “Exchange”), subject to SEC review.

### Hybrid 3.0 Execution Surcharge

The Exchange is modifying the exception from the Hybrid 3.0 Execution Surcharge.

As currently provided, on the CBOE Volatility Index (“VIX”) settlement day, the Exchange waives the Hybrid 3.0 Execution Surcharge for orders in S&P 500 Index (“SPX”) options in the SPX electronic book that are executed during opening rotation on the final settlement date of VIX options and futures. Currently, this exception encompasses all SPX options in the SPX electronic book executed during the opening rotation on final settlement date of VIX options and futures regardless of whether those options had a bearing on the final settlement value. The Exchange is amending Footnote 21 to exclude from the Hybrid 3.0 Execution Surcharge those SPX options in the SPX electronic book that are executed during opening rotation and which have the expiration that contribute to the VIX settlement calculation. With respect to CBOE Short-Term Volatility Index (“VXST”) options and futures, the Exchange is similarly amending this language to clarify that excluded from the Hybrid 3.0 Execution Surcharge are those SPX options in the SPX electronic book that are executed during opening rotation and which have the same expiration that contribute to the VXST settlement calculation. As a result of these changes, Footnote 21 will state:

*“All electronic executions in Hybrid 3.0 classes shall be assessed the Hybrid 3.0 Execution Surcharge, except that this fee shall not apply to: (i) orders in SPX options in the SPX electronic book for those SPX options that are executed during opening rotation on the final settlement date of VIX or VXST options and futures which have the expiration that contribute to the VIX or VXST settlement calculation, (ii) executions by market-makers against orders in the complex order auction (COA) and Simple Auction Liaison (SAL) systems in their appointed classes, (iii) executions by market-makers against orders in the electronic book, Hybrid Agency Liaison (HAL) and the complex order book in their appointed classes, and (iv) orders executed by a floor broker using a PAR terminal. See also footnote 15.”*

### SPXW-Waiver of Customer Priority Surcharge

The Exchange is modifying the waiver of the Customer Priority Surcharge for orders in SPX Weeklys (“SPXW”) executed during opening rotation to provide that the waiver is applicable for SPXW options in the SPXW electronic book that are executed during opening rotation on the final settlement date of VXST options and futures and which have the same expiration that contribute to the VXST settlement calculation.

As a result of this change, Footnote 31 of the Fees Schedule will state:

*“The priority surcharge is assessed on customer (C) contracts executed in SPXW, VIX or VXST. For SPXW, it applies to all customer contracts executed electronically, except those contracts executed by a floor broker using a PAR terminal and orders in SPXW options in the SPXW electronic book that are executed during opening rotation on the final settlement day of VXST options and futures which have the expiration that contribute to the VXST settlement calculation. For VIX and VXST, it applies to all customer contracts executed electronically that are Maker and not Market Turner.”*



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### **Large Trade Discount**

The Exchange is clarifying that the cap on the quantity of S&P products customer contracts, currently listed as SPX, SPXpm and SRO in the Fees Schedule, is also applicable to SPXW and SPXQ.

### **CBOE Fees Schedule**

<http://www.cboe.com/publish/feeschedule/CBOEFeeSchedule.pdf>

### **Additional Information**

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