

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-70943; File No. SR-CBOE-2013-115)

November 25, 2013

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend the CBSX Fees Schedule

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on November 21, 2013, Chicago Board Options Exchange, Incorporated (the “Exchange” or “CBOE”) 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 amend the Fees Schedule of its CBOE Stock Exchange. The text of the proposed rule change is available on the Exchange’s website (<http://www.cboe.com/AboutCBOE/CBOELegalRegulatoryHome.aspx>), at the Exchange’s Office of the Secretary, and at the Commission’s Public Reference Room.

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

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received 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.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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

1. Purpose

CBSX proposes to amend its Maker fees for transactions in all other securities (securities other than the “Select Symbols”, of which there currently are none) priced \$1 or greater. Currently, such fees are assessed on the following scale:³

Maker (adds less than 0.08% of TCV of liquidity in one day) (1)(5)	\$0.0018 per share
Maker (adds at least 0.08% but less than 0.16% of TCV of liquidity in one day) (1)(5)	\$0.0017 per share
Maker (adds at least 0.16% but less than 0.24% of TCV of liquidity in one day) (1)(5)	\$0.0016 per share
Maker (adds at least 0.24% but less than 0.42% of TCV of liquidity in one day) (1)(5)	\$0.0015 per share
Maker (adds 0.42% or more of TCV of liquidity in one day) (1)(5)	\$0.0014 per share

The Exchange proposes to break up the 0.24%-0.42% tier into two separate tiers at 0.33%, with Maker transactions in the 0.33%-0.42% tier being assessed a lower fee of \$0.0014 per share (currently, Maker transactions in such tier would be assessed the same fee as in the 0.24%-0.33% tier, which is \$0.0015 per share). The Exchange also proposes to add a 0.42%-

³ The parentheticals (1) and (5) in the scale refer to footnotes in the CBSX Fees Schedule. Footnote (1) reads:

These rates apply to all transactions in securities priced \$1 or greater made by the same market participant in any day in which such participant adds (for Makers) or removes (for Takers) the established amount of shares (or percentage of TCV, as applicable) or more of liquidity that is determined in the chart above for each tier. Market participants who share a trading acronym or MPID may aggregate their trading activity for purposes of these rates. Qualification for these rates will require that a market participant appropriately indicate his trading acronym and/or MPID in the appropriate field on the order.

Footnote (5) reads:

“TCV” means total consolidated volume calculated as the volume reported by all exchanges and trade reporting facilities to a consolidated transaction reporting plan. Volume from Maker executions in the Select Symbols (priced \$1 or greater) will count towards a market participant’s % of TCV.

The Exchange does not propose to amend either Footnotes (1) or (5).

0.52% tier, with Maker transactions in that tier being assessed a fee of \$0.0013 per share (which is lower than the \$0.0014 per share fee that Maker transactions in that tier currently are assessed). Finally, the Exchange proposes to add a tier for Makers who add 0.52% of TCV of liquidity in one day or more, with such transactions being assessed a lower fee of \$0.0012 per share (which is lower than the \$0.0014 per share fee that Maker transactions in that tier currently are assessed). As such, upon effectiveness of the proposed changes, the Maker fees for transactions in all other securities priced \$1 or greater will be as follows:

Maker (adds less than 0.08% of TCV of liquidity in one day) (1)(5)	\$0.0018 per share
Maker (adds at least 0.08% but less than 0.16% of TCV of liquidity in one day) (1)(5)	\$0.0017 per share
Maker (adds at least 0.16% but less than 0.24% of TCV of liquidity in one day) (1)(5)	\$0.0016 per share
Maker (adds at least 0.24% but less than 0.33% of TCV of liquidity in one day) (1)(5)	\$0.0015 per share
Maker (adds at least 0.33% but less than 0.42% of TCV of liquidity in one day) (1)(5)	\$0.0014 per share
Maker (adds at least 0.42% but less than 0.52% of TCV of liquidity in one day) (1)(5)	\$0.0013 per share
Maker (adds 0.52% or more of TCV of liquidity in one day) (1)(5)	\$0.0012 per share

The proposed changes are aspirational. The Exchange believes that the proposed new tiers will provide liquidity targets for CBSX market participants to aspire to reach, and the lowered fees in these new tiers will provide incentives for such CBSX market participants. The Exchange believes that the increased liquidity that results will benefit all market participants, and perhaps enable some such market participants to reach higher tiers (with the corresponding lower transaction fees) than they otherwise might.

The proposed changes are to take effect on December 2, 2013.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Act and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of

Section 6(b) of the Act.⁴ Specifically, the Exchange believes the proposed rule change is consistent with Section 6(b)(4) of the Act,⁵ which requires that Exchange rules provide for the equitable allocation of reasonable dues, fees, and other charges among its Trading Permit Holders and other persons using its facilities. The Exchange believes the proposed fee (and tier) changes are reasonable because all the proposed changes involve lowering fees from their current levels (in the tiers created/affected). There are no fee increases proposed by this proposed rule change, the affected market participants will certainly prefer to be assessed lower fees. The Exchange believes that the proposed changes are equitable and not unfairly discriminatory because, while they provide for lower fees for market participants who hit certain liquidity levels than others, the proposed new tiers (and corresponding lowered fees) are intended to provide liquidity targets for CBSX market participants to aspire to reach. The Exchange believes that the increased liquidity that results will benefit all market participants, and perhaps enable some such market participants to reach higher tiers (with the corresponding lower transaction fees) than they otherwise might. Finally, the proposed new fee tiers will be applied equally to all CBSX market participants.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. CBSX 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 they provide for lower fees for market participants who hit certain liquidity levels than others, the proposed new tiers (and corresponding lowered fees) are intended to provide

⁴ 15 U.S.C. 78f(b).

⁵ 15 U.S.C. 78f(b)(4).

liquidity targets for CBSX market participants to aspire to reach. The Exchange believes that the increased liquidity that results will benefit all market participants, and perhaps enable some such market participants to reach higher tiers (with the corresponding lower transaction fees) than they otherwise might. Finally, the proposed new fee tiers will be applied equally to all CBSX market participants. The Exchange does not believe that the proposed rule change will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because the proposed changes are intended to attract greater liquidity and make CBSX a more attractive marketplace for market participants on all exchanges (thereby enhancing competition). To the extent that the proposed changes make CBSX a more attractive marketplace for market participants on other exchanges, such market participants may elect to become CBSX market participants. Also, the proposed changes only apply to trading on CBSX.

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 Act⁶ and paragraph (f) of Rule 19b-4⁷ 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.

⁶ 15 U.S.C. 78s(b)(3)(A).

⁷ 17 CFR 240.19b-4(f).

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-2013-115 on the subject line.

Paper comments:

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

All submissions should refer to File Number SR-CBOE-2013-115. 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 DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filing also will be available for inspection and copying at the principal offices 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-2013-115, 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.⁸

Kevin M. O'Neill
Deputy Secretary

⁸ 17 CFR 200.30-3(a)(12).