

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-80462; File No. SR-CBOE-2017-033)

April 14, 2017

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend the 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 April 10, 2017, 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 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

1. Purpose

The Exchange proposes to amend its Fees Schedule with respect to the Frequent Trader program.³ By way of background, the Frequent Trader Program offers transaction fee rebates to registered Customers, Professional Customers and Voluntary Professionals (origin codes “C” and “W”) (collectively “Customers”) that meet certain volume thresholds in CBOE VIX

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ The Exchange initially filed the proposed fee change on April 3, 2017 (SR-CBOE-2017-027). On April 10, 2017, the Exchange withdrew that filing and submitted this filing.

Volatility Index options (“VIX options”), Russell 2000 Index (“RUT”) options, and S&P 500 Index options (“SPX”), weekly S&P 500 options (“SPXW”) and p.m.-settled SPX Index options (“SPXpm”) (collectively referred to as “SPX options”) provided the Customer registers for the program. The Exchange proposes to amend the Frequent Trader Program to increase the (i) volume thresholds and (ii) rebates for VIX options. Specifically, the proposed changes will be as follows:

Tier	VIX			
	Monthly Contracts Traded		Fee Rebate	
	Current	Proposed	Current	Proposed
1	10,000 –49,000	10,000 – 99,999	3%	5%
2	50,000 –99,000	100,000 – 299,999	6%	15%
3	100,000 and above	300,000 and above	9%	25%

The Exchange believes the proposed changes incentivizes the sending of Customer orders to the Exchange while maintaining an incremental incentive for Customers to strive for the highest tier level.

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.⁴ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)⁵ 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

⁴ 15 U.S.C. 78f(b).

⁵ 15 U.S.C. 78f(b)(5).

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. The Exchange also believes the proposed rule change is consistent with Section 6(b)(4) of the Act,⁶ which provides that Exchange rules may provide for the equitable allocation of reasonable dues, fees, and other charges among its Trading Permit Holders.

The Exchange believes it's reasonable to increase the Frequent Trader rebates for VIX because it provides Customers an opportunity to receive increased rebates for reaching certain qualifying volume thresholds that they would not otherwise receive. The proposed rule change is designed to encourage greater Customer VIX options trading, which, along with bringing greater VIX options trading opportunities to all market participants, would bring in more fees to the Exchange, and such fees can be used to recoup the Exchange's costs and expenditures from maintaining VIX options. The Exchange believes it's also reasonable to increase the qualifying volume thresholds for VIX as it still allows the Exchange to maintain an incremental incentive for Customers to strive for the highest tier level and because the Exchange has increased the rebates for each of the tiers. The Exchange believes it's equitable and not unfairly discriminatory to establish higher rebates under the Frequent Trader Program for VIX as compared to SPX and RUT options because the Exchange would like to encourage more VIX trading. The Exchange believes that the proposed change is not unfairly discriminatory because it will apply to all Frequent Trader Customers.

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

⁶ 15 U.S.C. 78f(b)(4).

CBOE 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 because, while the rebates apply only to Customers, the proposed change is designed to encourage increased Customer VIX options volume, which provides greater trading opportunities for all market participants. The Exchange believes that the proposed rule change will not cause an unnecessary burden on intermarket competition because VIX is only traded on CBOE. To the extent that the proposed changes make CBOE a more attractive marketplace for market participants at other exchanges, such market participants are welcome to become CBOE 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 Act⁷ and paragraph (f) of Rule 19b-4⁸ 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

⁷ 15 U.S.C. 78s(b)(3)(A).

⁸ 17 CFR 240.19b-4(f).

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-2017-033 on the subject line.

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-2017-033. 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-2017-033 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.⁹

Brent J. Fields
Secretary

⁹ 17 CFR 200.30-3(a)(12).