

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-86884; File No. SR-CBOE-2019-052)

September 5, 2019

Self-Regulatory Organizations; Cboe Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to the Removal of a Number of Outdated Fees and References in the Cboe Options Fees Schedule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 August 28, 2019, 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 the Substance of the Proposed Rule Change

Cboe Exchange, Inc. (the “Exchange” or “Cboe Options”) proposes to remove a number of outdated fees and references in the Cboe Options Fees Schedule. 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.

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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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

The Exchange proposes to make a number of non-substantive, cleanup changes to its fees schedule.

First, the Exchange proposes to remove the “New Trading Permit Holder Orientation and Exam” fee in the Cboe Options Fees Schedule. Particularly, the Exchange notes that it recently submitted a rule filing which eliminated the Trading Permit Holder Orientation and Exam, as of July 6, 2019, rendering the corresponding fee obsolete.³ As such, the Exchange proposes to remove the fee, which no longer can be assessed, from the Fees Schedule.

Similarly, the Exchange proposes to eliminate references to another examination that no longer exists. Particularly, as of January 2016, the Series 56 examination was eliminated.⁴ The Exchange notes however, that it inadvertently omitted to update the Fees Schedule and eliminate references to the Series 56 examination and related fees. Accordingly, the Exchange first proposes to eliminate the reference to “(e.g., Series 56 examination)” in the notes section of the Qualification Examination Waiver Request Fee. The Exchange further proposes to eliminate the “Initial Proprietary Registration” and “Annual Proprietary Registration” fees. These registration

³ See Securities Exchange Act Release No. 86065 (June 7, 2019), 84 FR 27667 (June 13, 2019) (SR-CBOE-2019-029).

⁴ See Securities Exchange Act Release No. 76247 (October 23, 2015), 80 FR 66605 (October 29, 2015) (SR-CBOE-2015-094).

fees were assessed in connection with the registration of the Series 56 exam, and as such, are no longer necessary to maintain in the Fees Schedule.

The Exchange next proposes to eliminate LiveVol Fees (Livevol Core “LVCX” fees), as the Exchange no longer offers this functionality, and also proposes to eliminate the “In-Crowd Telephones (plus usage fee)” fee, as this service is similarly no longer offered.

The Exchange⁶ further proposes to eliminate references to the “Position Transfer Fee” (on-floor 6.49A fee), as on-floor position transfers were recently eliminated.⁵

The Exchange lastly proposes to eliminate all references to the following symbols as they are no longer listed: AWDE, FTEM, FXTM, GVZ, VXEEM, VXEWZ, OVX, XSPAM, Volatility Indexes⁶ and Binary options.

The Exchange notes that it has not assessed any of the above fees since the elimination of the respective service/exam/rule.

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.⁷ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)⁸ 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

⁵ See Securities Exchange Act Release No. 85732 (April 26, 2019), 84 FR 18901 (May 2, 2019) (SR-CBOE-2019-024). See also Cboe Options Exchange Regulatory Circular RG 19-019.

⁶ They Exchange notes that it is not eliminating any references to VIX options.

⁷ 15 U.S.C. 78f(b).

⁸ 15 U.S.C. 78f(b)(5).

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)⁹ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange believes the proposed rule change to update the Fees Schedule to remove obsolete fees and references, maintains clarity in the Fees Schedule and will alleviate potential confusion, thereby removing impediments to and perfecting the mechanism of a free and open market and a national market system and protecting investors and the public interest. As noted above, the proposed filing does not substantively change any transaction fees or rebates, but merely removes unnecessary and obsolete language that the Exchange inadvertently failed to update upon the elimination of the corresponding fees, services and exams. Particularly, Exchange has not assessed any of the above-referenced fees since the elimination of the respective service/exam/rule.

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. The proposed rule change does not address competitive issues, but rather, as discussed above, is merely intended to correct inadvertent omissions to update the Fees Schedule to remove obsolete fees and references, which will alleviate potential confusion.

⁹

Id.

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 Act¹⁰ and paragraph (f) of Rule 19b-4¹¹ 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-2019-052 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.

¹⁰ 15 U.S.C. 78s(b)(3)(A).

¹¹ 17 CFR 240.19b-4(f).

All submissions should refer to File Number SR-CBOE-2019-052. 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 office of the Exchange. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying

information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-CBOE-2019-052, 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.¹²

Jill M. Petereson
Assistant Secretary

¹² 17 CFR 200.30-3(a)(12).