

Item 1. Text of the Proposed Rule Change

(a) Cboe Exchange, Inc. (the “Exchange” or “Cboe Options”) proposes to amend its Fees Schedule to adopt a Global Trading Hours (“GTH”) Surcharge fee applicable to certain Market-Maker transactions in Mini-SPX Index (“XSP”) options and to amend certain Lead Market-Maker (“LMM”) Incentive Programs by decreasing series requirements, increasing or decreasing quote width and size requirements, increasing or decreasing rebate amounts, and restructuring expiry and VIX Index value categories, as applicable. The text of the proposed rule change is provided in Exhibit 5.

(b) Not applicable.

(c) Not applicable.

Item 2. Procedures of the Self-Regulatory Organization

(a) The Exchange’s President (or designee) pursuant to delegated authority approved the proposed rule change on January 31, 2025.

(b) Please refer questions and comments on the proposed rule change to Pat Sexton, Executive Vice President, General Counsel, and Corporate Secretary, (312) 786-7467, or Sarah Williams, (224) 461-6793, Cboe Exchange, Inc., 433 West Van Buren Street, Chicago, Illinois 60607.

Item 3. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

(a) Purpose

The Exchange proposes to amend its Fees Schedule.¹

GTH Surcharge Fee

¹ The Exchange initially filed the proposed fee changes on February 3, 2025 (SR-CBOE-2025-006). On February 12, 2025, the Exchange withdrew that filing and submitted this proposal.

The Exchange first proposes to adopt a surcharge to certain transactions in XSP options within the Rate Table for All Products Excluding Underlying Symbol List A. Specifically, the proposed rule change adopts a GTH Surcharge fee, which is applicable to Market-Maker (capacity “M”) orders in XSP contra to non-customers that remove liquidity and that are executed electronically (i.e., yield fee code MY) during the GTH session, and assesses a fee of \$0.50 per contract.

LMM Incentive Programs

The Exchange next proposes to amend its Fees Schedule in connection with certain LMM Incentive Programs. Specifically, the Exchange proposes to amend its Mini Russell 2000 Index (“MRUT”) options LMM Incentive Program, GTH Cboe Volatility Index (“VIX”) options and VIX Weekly (“VIXW”) options LMM Incentive Programs, GTH S&P 500 Index (“SPX”) options and SPX Weekly (“SPXW”) options LMM Incentive Programs, RTH Mini-SPX Index (“XSP”) options LMM Incentive Program, GTH XSP options LMM Incentive Programs, S&P 500 ESG Index (“SPESG”) options LMM Incentive Program, Cboe Mini Bitcoin U.S. ETF Index (“MBTX”) options and MBTX Weekly (“MBTXW”) options LMM Incentive Program, and Cboe Bitcoin U.S. ETF Index (“CBTX”) options and CBTX Weekly (“CBTXW”) options LMM Incentive Program.

All LMM Incentive Programs provide a rebate to Trading Permit Holders (“TPHs”) with LMM appointments to the respective incentive program that meet certain quoting standards in the applicable series in a month. The Exchange notes that meeting or exceeding the quoting standards (both current and as proposed; described in further detail below) in each of the LMM Incentive Program products to receive the applicable rebate (both currently offered and as proposed; described in further detail below) is optional for

an LMM appointed to a program. Particularly, an LMM appointed to an incentive program is eligible to receive the corresponding rebate if it satisfies the applicable quoting standards, which the Exchange believes encourages appointed LMMs to provide liquidity in the applicable class and trading session (i.e., Regular Trading Hours (“RTH”) or GTH). The Exchange may consider other exceptions to the programs’ quoting standards based on demonstrated legal or regulatory requirements or other mitigating circumstances. In calculating whether an LMM appointed to an incentive program meets the applicable program’s quoting standards each month, the Exchange excludes from the calculation in that month the business day in which the LMM missed meeting or exceeding the quoting standards in the highest number of the applicable series.

MRUT LMM Incentive Program

The Exchange proposes to amend the MRUT LMM Incentive Program. The MRUT LMM Incentive Program provides that if the appointed LMM provides continuous electronic quotes during RTH that meet or exceed the program’s heightened quoting standards² in at least 97% of the series 88% of the time in a given month, the LMM will receive a rebate for that month in the amount of \$5,000 (or pro-rated amount if an appointment begins after the first trading day of the month or ends prior to the last trading day of the month).

The Exchange proposes to adopt a new set of heightened quoting standards (below) under the MRUT LMM Incentive Program (new proposed sizes are denoted with an asterisk).

² Located in the “MRUT LMM Incentive Program” table in the Fees Schedule.

Premium Level	Expiring		Near Term		Mid Term		Long Term	
	14 days or less		15 days to 60 days		61 days to 270 days		271 days or Greater	
	Width	Size	Width	Size	Width	Size	Width	Size
\$0.00 - \$1.00	\$0.08	10*	\$0.10	10*	\$0.15	10*	\$0.80	10*
\$1.01 - \$3.00	\$0.14	10*	\$0.14	10*	\$0.15	10*	\$0.85	10*
\$3.01 - \$5.00	\$0.14	10*	\$0.16	10*	\$0.20	10*	\$1.00	10*
\$5.01 - \$10.00	\$0.45	5*	\$0.18	10*	\$0.35	10*	\$1.25	10*
\$10.01 - \$25.00	\$1.25	1	\$0.55	1	\$0.50	5*	\$2.25	1
\$25.01 - \$100.00	\$3.00	1	\$2.00	1	\$1.75	1	\$4.00	1
Greater than \$100.00	\$8.00	1	\$8.00	1	\$8.00	1	\$8.00	1

Further, the Exchange proposes to amend the series qualification requirement for the MRUT LMM Incentive Program. Specifically, the Exchange proposes to update the series qualification requirement to require the appointed LMM to provide continuous electronic quotes during RTH that meet or exceed the heightened quoting standards in at least 90% the MRUT series 88% of the time in a given month in order to receive the rebate, thereby decreasing the series qualification requirement by 7%. In changing this requirement, the Exchange wishes to encourage LMMs appointed to the MRUT LMM Incentive Program to provide significant liquidity in MRUT options by meeting the series qualification requirements (and relevant quoting standards) under the Program in order to receive the rebate.

GTH VIX/VIXW LMM Incentive Program

The Exchange proposes to amend the GTH VIX/VIXW LMM Incentive Program. The proposed program provides that, if the appointed LMM provides continuous electronic quotes during GTH (i.e., from 7:15pm CST to 8:25am CST the next day) that meet or exceed the VIXW and VIX basic quoting standards³ in at least 95% of each of the VIX and VIXW series, 90% of the time in a given month, the LMM will receive a rebate for that month in the amount of \$25,000 for VIX and \$10,000 for VIXW (or pro-rated amount if an appointment begins after the first trading day of the month or ends prior to the last trading day of the month) for that month.

The Exchange proposes to adopt a new set of VIX heightened basic quoting standards (below) under the GTH VIX/VIXW LMM Incentive Program (new proposed widths and sizes are denoted with an asterisk).

VIX Value at Prior Close < 18								
Premium Level	Expiring		Near Term		Mid Term		Long Term	
	Less than 15 days		15 days to 60 days		61 days to 180 days		181 days or Greater	
	Width	Size	Width	Size	Width	Size	Width	Size
\$0.00 - \$1.00	\$0.20*	30	\$0.16*	40	\$0.20*	30	\$0.50*	5
\$1.01 - \$3.00	\$0.30*	20*	\$0.25*	25	\$0.25*	15	\$0.70*	5
\$3.01 - \$5.00	\$0.40*	15	\$0.30*	15	\$0.40*	10	\$1.00	5
\$5.01 - \$10.00	\$0.80*	10	\$1.00*	10	\$2.00*	10	\$2.00	5
\$10.01 - \$30.00	\$2.00	5	\$1.50	5	\$2.00	5	\$3.00	3
Greater than \$30.00	\$5.00	3	\$5.00*	3	\$5.00	3	\$5.00	3
VIX Value at Prior Close from 18 - 25								
\$0.00 - \$1.00	\$0.30*	15	\$0.30*	30	\$0.30*	15	\$1.00	5

³ Located in the “GTH VIX/VIXW LMM Incentive Program” table in the Fees Schedule.

\$1.01 - \$3.00	\$0.35*	10	\$0.35*	20	\$0.40*	10	\$1.00	5
\$3.01 - \$5.00	\$0.50*	5	\$0.50	15	\$0.60*	5	\$1.30	5
\$5.01 - \$10.00	\$1.20*	5	\$1.20*	5	\$1.50*	5	\$2.20	5
\$10.01 - \$30.00	\$3.00	1	\$3.00*	1	\$3.00	1	\$5.00	1
Greater than \$30.00	\$6.00*	1	\$6.00*	1	\$6.00*	1	\$10.00	1
VIX Value at Prior Close from > 25								
\$0.00 - \$1.00	\$0.80	10	\$0.50	10	\$0.60	10	\$1.20	5
\$1.01 - \$3.00	\$1.00	10	\$0.75	10	\$1.00	10	\$1.20	5
\$3.01 - \$5.00	\$1.20	5	\$0.90	10	\$1.20	5	\$1.80	5
\$5.01 - \$10.00	\$2.00	5	\$1.50	5	\$2.50	5	\$3.00	3
\$10.01 - \$30.00	\$5.00	1	\$5.00	1	\$5.00	1	\$7.00	1
Greater than \$30.00	\$10.00	1	\$10.00	1	\$10.00	1	\$10.00	1

GTH SPX/SPXW LMM Incentive Programs

The Exchange proposes to amend the GTH1 and GTH2 SPX/SPXW LMM Incentive Programs. Currently, the GTH1 SPX/SPXW LMM Incentive Program provides that if the appointed LMM in SPX/SPXW provides during continuous electronic quotes during GTH from 7:15PM CST to 2:00AM CST ("GTH1") that meet or exceed the program's heightened quoting standards⁴ in at least 85% of the SPX and SPXW series 90% of the time in a given month, the LMM will receive a rebate for that month in the amount of \$40,000 (or pro-rated amount if an appointment begins after the first trading day of the month or ends prior to the last trading day of the month).

⁴ Located in the "GTH1 SPX/SPXW LMM Incentive Program" table in the Fees Schedule.

Similarly, the GTH2 SPX/SPXW LMM Incentive Program provides that if the appointed LMM in SPX/SPXW provides during continuous electronic quotes during GTH from 2:00AM CST to 8:25AM CST ("GTH2") that meet or exceed the program's heightened quoting standards⁵ in at least 85% of the SPX and SPXW series 90% of the time in a given month, the LMM will receive a rebate for that month in the amount of \$40,000 (or pro-rated amount if an appointment begins after the first trading day of the month or ends prior to the last trading day of the month).

First, the Exchange proposes to amend the time to expiry groupings within the programs. Currently the both the GTH1 and GTH2 SPX/SPXW LMM Incentive Programs are each comprised of four time to expiry groupings: Expiring (7 days or less), Near Term (8 to 60 days), Mid Term (61 to 270 days), and Long Term (271 to 500 days). The Exchange proposes to add a Mid-Long Term expiry and make changes to the Near Term, Mid Term and Long Term expiry durations. As proposed the groupings will be as follows: Expiring (7 days or less), Near Term (8 to 22 days), Mid Term (23 to 37 days), Mid-Long Term (38 to 180 days) and Long Term (181 to 500 days).⁶

Additionally, the Exchange proposes to adopt a new set of SPX/SPXW heightened basic quoting standards (below) under the GTH1 SPX/SPXW LMM Incentive Program (new proposed widths and sizes are denoted with an asterisk, including proposed widths and sizes for new Mid-Long Term expiry duration).

VIX Value at Prior Close < 20

⁵ Located in the "GTH2 SPX/SPXW LMM Incentive Program" table in the Fees Schedule.

⁶ As part of the proposed rule changes, the Exchange proposes a non-substantive, clarifying change to amend the VIX Value at Prior Close values to more accurately describe current value categories. Specifically, the Exchange proposes to amend "VIX Value at Prior Close from 20 to 30" to state "VIX Value at Prior Close greater than or equal to 20 and less than 30" and to amend "VIX Value at Prior Close greater than 30" to state "VIX Value at Prior Close greater than or equal to 30".

Premium Level	Expiring		Near Term		Mid Term		Mid-Long Term		Long Term	
	7 days or less		8 days to 22 days		23 days to 37 days		38 to 180 days		181 to 500 days	
	Width	Size	Width	Size	Width	Size	Width	Size	Width	Size
\$0.00 - \$5.00	\$0.50	15	\$0.40	15	\$0.30*	10*	\$0.60*	5*	\$1.20	5
\$5.01 - \$15.00	\$0.70	15	\$0.70	15	\$0.50*	10*	\$1.50*	5*	\$2.50	5
\$15.01 - \$50.00	\$1.40	10	\$2.00	15	\$1.80*	10*	\$2.00*	5*	\$5.00	5
\$50.01 - \$100.00	\$7.00	5	\$4.00	10	\$2.50*	5	\$3.50*	5*	\$6.00	5
\$100.01 - \$200.00	\$18.00	1	\$6.00	5	\$3.00*	5	\$5.00*	5*	\$8.00	5
Greater than \$200.00	\$24.00	1	\$10.00	1	\$10.00*	1	\$12.00*	1*	\$50.00	1
VIX Value at Prior Close ≥ 20 and < 30										
\$0.00 - \$5.00	\$0.70	10	\$0.80	10	\$0.60*	5	\$0.75*	5*	\$2.00	5
\$5.01 - \$15.00	\$1.20	10	\$1.10	10	\$1.00*	5	\$2.40*	5*	\$3.50	5
\$15.01 - \$50.00	\$3.00	10	\$3.50	10	\$3.00*	5	\$3.50*	5*	\$6.00	5
\$50.01 - \$100.00	\$12.00	5	\$7.00	5	\$5.00*	5	\$4.00*	5*	\$8.00	5
\$100.01 - \$200.00	\$24.00	1	\$10.00	1	\$6.00*	1*	\$7.00*	5*	\$12.00	5
Greater than \$200.00	\$30.00	1	\$12.00	1	\$10.00*	1	\$20.00*	1*	\$60.00	1
VIX Value at Prior Close ≥ 30										
\$0.00 - \$5.00	\$1.20	5	\$1.20	5	\$1.00	5	\$1.00*	5*	\$3.00	5
\$5.01 - \$15.00	\$3.00	5	\$2.70	5	\$2.20*	5	\$3.00*	5*	\$5.00	5
\$15.01 - \$50.00	\$5.00	5	\$5.50	5	\$4.00*	5	\$4.00*	5*	\$8.00	5
\$50.01 - \$100.00	\$16.00	5	\$12.00	5	\$8.00*	5*	\$5.00*	3*	\$10.00	1
\$100.01 - \$200.00	\$20.00	1	\$15.00	5	\$10.00*	5*	\$15.00*	1*	\$18.00	1

Greater than \$200.00	\$30.00	1	\$30.00	1	\$20.00*	1	\$30.00*	1*	\$70.00	1
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The Exchange proposes to adopt a new set of SPX/SPXW heightened basic quoting standards (below) under the GTH2 SPX/SPXW LMM Incentive Program (new proposed widths and sizes are denoted with an asterisk, including proposed widths and sizes for new Mid-Long Term expiry duration).

VIX Value at Prior Close < 20										
Premium Level	Expiring		Near Term		Mid Term		Mid-Long Term		Long Term	
	7 days or less		8 days to 22 days		23 days to 37 days		38 to 180 days		181 to 500 days	
	Width	Size	Width	Size	Width	Size	Width	Size	Width	Size
\$0.00 - \$5.00	\$0.35	25	\$0.40	15	\$0.30*	15	\$0.60*	5*	\$1.20	5
\$5.01 - \$15.00	\$0.80	20	\$0.60	20	\$0.50*	15*	\$1.50*	10*	\$2.00	5
\$15.01 - \$50.00	\$1.80	15	\$2.00	15	\$1.50*	10	\$2.00*	10*	\$4.00	5
\$50.01 - \$100.00	\$7.50	10	\$4.00	10	\$2.50*	5*	\$3.00*	10*	\$5.00	5
\$100.01 - \$200.00	\$15.00	1	\$5.00	5	\$3.00*	5	\$4.00*	5*	\$6.00	5
Greater than \$200.00	\$20.00	1	\$8.00	1	\$8.00*	1	\$12.00*	1*	\$50.00	1
VIX Value at Prior Close ≥ 20 and < 30										
\$0.00 - \$5.00	\$0.60	15	\$0.80	10	\$0.40*	10*	\$0.75*	5*	\$2.00	5
\$5.01 - \$15.00	\$1.00	15	\$1.00	15	\$0.80*	10*	\$2.20*	5*	\$3.00	5
\$15.01 - \$50.00	\$2.50	10	\$3.50	10	\$3.00	5	\$3.00*	5*	\$5.00	5
\$50.01 - \$100.00	\$10.00	10	\$7.00	10	\$5.00*	5	\$3.50*	5*	\$7.00	5
\$100.01 - \$200.00	\$18.00	1	\$8.00	5	\$6.00	1*	\$6.00*	5*	\$10.00	5

Greater than \$200.00	\$25.00	1	\$12.00	1	\$10.00*	1	\$20.00*	1*	\$60.00	1
VIX Value at Prior Close \geq 30										
\$0.00 - \$5.00	\$0.90	10	\$1.00	10	\$0.80*	5	\$1.00*	5*	\$3.00	5
\$5.01 - \$15.00	\$2.50	10	\$2.50	10	\$2.00*	5	\$3.00*	5*	\$4.00	5
\$15.01 - \$50.00	\$4.00	10	\$5.00	10	\$3.50*	5	\$4.00*	5*	\$8.00	5
\$50.01 - \$100.00	\$12.00	5	\$10.00	5	\$8.00*	5*	\$4.50*	3*	\$10.00	1
\$100.01 - \$200.00	\$20.00	1	\$12.00	5	\$10.00*	5*	\$15.00*	1*	\$18.00	1
Greater than \$200.00	\$30.00	1	\$25.00	1	\$20.00*	1	\$30.00*	1*	\$70.00	1

Finally, the Exchange proposes a change to the rebates offered by the GTH1 and GTH2 SPX/SPXW LMM Incentive Programs to an LMM appointed to the program for meeting the heightened quoting standards in a given month. The Exchange proposes to decrease such rebates from \$40,000 to \$25,000 for the GTH1 SPX/SPXW LMM Incentive Program, and from \$40,000 to \$25,000 for the GTH2 SPX/SPX LMM Incentive Program. Additionally, for each of the GTH1 and GTH2 SPX/SPXW LMM Incentive Programs, the Exchange proposes to offer an additional rebate of \$15,000 to an LMM appointed to the programs for meeting the Mid Term (23 days to 37 days to expiry) heightened quoting standards in a given month.

The Exchange wishes to continue to incentivize the LMMs appointed to the GTH1 and GTH2 LMM Incentive Programs to provide significant liquidity in SPX/SPXW options during GTH by meeting the applicable quoting standards under each program to receive the proposed rebates, while further incentivizing such LMMs to meet the Mid Term heightened quoting standards, as revised.

RTH XSP LMM Incentive Program

The Exchange proposes to amend the RTH XSP LMM Incentive Program. The XSP LMM Incentive Program provides that if the appointed LMM provides continuous electronic quotes during RTH that meet or exceed the program’s basic heightened quoting standards⁷ in at least 90% of the series 90% of the time in a given month, the LMM will receive a rebate for that month in the amount of \$15,000 (or pro-rated amount if an appointment begins after the first trading day of the month or ends prior to the last trading day of the month). Additionally, the XSP LMM Incentive Program provides that if the appointed LMM provides continuous electronic quotes during RTH that meet or exceed the program’s advanced heightened quoting standards⁸ in at least 85% of the series 85% of the time in a given month, the LMM will receive a rebate for that month in the amount of \$20,000 (or pro-rated amount if an appointment begins after the first trading day of the month or ends prior to the last trading day of the month).

The Exchange proposes to adopt new basic heightened quoting standards (below) under the XSP LMM Incentive Program, which include an additional set of heightened quoting standards for when the VIX Value at Prior Close is greater than or equal to 20 and less than 30 (new proposed sizes are denoted with an asterisk). As part of the proposed changes, the other VIX Values at Prior Close are amended, from “less than or equal to 30” to “less than 20” and from “greater than 30” to “greater than or equal to 30.”

VIX Value at Prior Close \leq 20					
	Expiring Option	1 day	2 days to 5 days	6 days to 14 days	15 days to 35 days

⁷ Located in the “RTH XSP LMM Incentive Program” table in the Fees Schedule.

⁸ Located in the “RTH XSP LMM Incentive Program” table in the Fees Schedule.

Moneyness⁹	Width	Size	Width	Size	Width	Size	Width	Size	Width	Size
[> 3% ITM)	\$0.40	5	\$0.40	5	\$0.40	5	\$0.40	5	\$0.75	5
[3% ITM to 2% ITM)	\$0.30	5	\$0.30	5	\$0.30	5	\$0.30	5*	\$0.50	5*
[2% ITM to 0.25% ITM)	\$0.12	10	\$0.12	10	\$0.15	10	\$0.20	10*	\$0.30	10*
[0.25% ITM to ATM)	\$0.08	20	\$0.08	20	\$0.10	20	\$0.12	20	\$0.18	20
[ATM to 1% OTM)	\$0.04*	20	\$0.04*	20	\$0.05*	20	\$0.05*	20	\$0.10*	20
[> 1% OTM]	\$0.03	20	\$0.03*	20	\$0.04*	20	\$0.04*	20	\$0.06*	20
VIX Value at Prior Close ≥ 20 and < 30										
[> 3% ITM)	\$0.40*	5*	\$0.40*	5*	\$0.40*	5*	\$0.40*	5*	\$0.75*	5*
[3% ITM to 2% ITM)	\$0.30*	5*	\$0.30*	5*	\$0.30*	5*	\$0.30*	5*	\$0.50*	5*
[2% ITM to 0.25% ITM)	\$0.12*	10*	\$0.12*	10*	\$0.15*	10*	\$0.20*	10*	\$0.30*	10*
[0.25% ITM to ATM)	\$0.08*	20*	\$0.08*	20*	\$0.10*	20*	\$0.12*	20*	\$0.18*	20*
[ATM to 1% OTM)	\$0.05*	20*	\$0.05*	20*	\$0.06*	20*	\$0.06*	20*	\$0.12*	20*
[> 1% OTM]	\$0.03*	20*	\$0.04*	20*	\$0.05*	20*	\$0.05*	20*	\$0.08*	20*
VIX Value at Prior Close ≥ 30										
[> 3% ITM)	\$0.60*	5	\$0.60*	5	\$0.60*	1*	\$0.80	1*	\$1.00	1*
[3% ITM to 2% ITM)	\$0.30	5	\$0.30	5	\$0.30	1*	\$0.50	1*	\$0.75	1*
[2% ITM to 0.25% ITM)	\$0.20	10	\$0.20	10	\$0.20	10	\$0.25	10*	\$0.50	10*
[0.25% ITM to ATM)	\$0.08	20	\$0.10	20	\$0.12	20	\$0.15	20	\$0.20	20
[ATM to 1% OTM)	\$0.05	20	\$0.06	20	\$0.07	20	\$0.09	20	\$0.12	20
[> 1% OTM]	\$0.04	20	\$0.05	20	\$0.05	20	\$0.06	20	\$0.10	20

⁹ For purposes of the RTH XSP LMM Incentive Program, the square bracket “[” represents inclusion, whereas the parentheses “)” represents exclusion at the bound.

Similarly, the Exchange proposes to adopt new advanced heightened quoting standards (below) under the XSP LMM Incentive Program, which include an additional set of heightened quoting standards for when the VIX Value at Prior Close is greater than or equal to 20 and less than 30 (new proposed sizes are denoted with an asterisk). As part of the proposed changes, the other VIX Values at Prior Close are amended, from “less than or equal to 30” to “less than 20” and from “greater than 30” to “greater than or equal to 30.”

VIX Value at Prior Close < 20										
Moneyness	Expiring Option		1 day		2 days to 5 days		6 days to 14 days		15 days to 35 days	
	Width	Size	Width	Size	Width	Size	Width	Size	Width	Size
[> 3% ITM)	\$0.30	5	\$0.25	5	\$0.35*	5	\$0.40	1*	\$0.75	1*
[3% ITM to 2% ITM)	\$0.12	5	\$0.15	5	\$0.20	5	\$0.25	10	\$0.50	5*
[2% ITM to 0.25% ITM)	\$0.10	10	\$0.10	5*	\$0.12*	10	\$0.15*	10*	\$0.25	10*
[0.25% ITM to ATM)	\$0.06	15*	\$0.05*	15*	\$0.08	20	\$0.08*	15*	\$0.12*	10*
[ATM to 1% OTM)	\$0.02*	20	\$0.03	20	\$0.04*	20	\$0.05*	20	\$0.08*	20
[> 1% OTM]	\$0.02	20	\$0.02*	20	\$0.03*	20	\$0.04*	20	\$0.05*	20
VIX Value at Prior Close ≥ 20 and < 30										
[> 3% ITM)	\$0.40*	5*	\$0.35*	5*	\$0.35*	5*	\$0.40*	1*	\$0.85*	1*
[3% ITM to 2% ITM)	\$0.15*	5*	\$0.15*	5*	\$0.25*	5*	\$0.25*	5*	\$0.60*	5*
[2% ITM to 0.25% ITM)	\$0.10*	5*	\$0.12*	5*	\$0.15*	10*	\$0.16*	5*	\$0.30*	5*
[0.25% ITM to ATM)	\$0.06*	10*	\$0.06*	10*	\$0.08*	20*	\$0.10*	15*	\$0.15*	10*
[ATM to 1% OTM)	\$0.03*	15*	\$0.04*	15*	\$0.05*	20*	\$0.06*	20*	\$0.10*	15*
[> 1% OTM]	\$0.02*	15*	\$0.03*	15*	\$0.04*	20*	\$0.05*	20*	\$0.06*	15*
VIX Value at Prior Close ≥ 30										
[> 3% ITM)	\$0.30	5	\$0.40	3*	\$0.50	1*	\$0.70	1*	\$1.00	1*
[3% ITM to 2% ITM)	\$0.20	5	\$0.25	3*	\$0.25	5	\$0.30	5*	\$0.75	5*

[2% ITM to 0.25% ITM)	\$0.15	5*	\$0.20	5*	\$0.20	5*	\$0.25	5*	\$0.40	5*
[0.25% ITM to ATM)	\$0.08	10*	\$0.09	10*	\$0.12	5*	\$0.15	5*	\$0.20	5*
[ATM to 1% OTM)	\$0.05	15*	\$0.06	15*	\$0.07	15*	\$0.10*	15*	\$0.10	10*
[> 1% OTM]	\$0.05*	15*	\$0.06*	15*	\$0.07*	15*	\$0.10*	15*	\$0.10*	10*

Finally, the Exchange proposes a change to the rebates offered by the RTH XSP LMM Incentive Program to an LMM appointed to the program for meeting the basic and advanced heightened quoting standards in a given month. The Exchange proposes to increase the rebate offered for meeting the basic heightened quoting standards, from \$15,000 to \$25,000 and decrease the rebate offered for meeting the advanced heightened quoting standards, from \$20,000 to \$15,000.

GTH XSP LMM Incentive Programs

The Exchange proposes to amend the GTH1 and GTH2 XSP LMM Incentive Programs. Currently, the GTH1 XSP LMM Incentive Program provides that if the appointed LMM in XSP provides during continuous electronic quotes during GTH1 that meet or exceed the program's heightened quoting standards¹⁰ in at least 85% of each of the XSP series 90% of the time in a given month, the LMM will receive a rebate for that month in the amount of \$15,000 (or pro-rated amounts if an appointment begins after the first trading day of the month or ends prior to the last trading day of the month).

The GTH2 SPX/SPXW LMM Incentive Program provides that if the appointed LMM in XSP provides during continuous electronic quotes during GTH2 that meet or

¹⁰ Located in the "GTH1 XSP LMM Incentive Program" table in the Fees Schedule.

exceed the program’s heightened quoting standards¹¹ (which are the same as the heightened quoting standards in the GTH1 XSP LMM Incentive Program) in at least 85% of the series 90% of the time in a given month, the LMM will receive a payment for that month in the amount of \$15,000 (or pro-rated amount if an appointment begins after the first trading day of the month or ends prior to the last trading day of the month). For each of the GTH XSP LMM Incentives Programs, the heightened quoting standards are based on the VIX Index value at the prior market close, with two separate value categories (i.e., VIX value at prior close less than 30 and VIX value at prior close greater than or equal to 30).

The Exchange proposes to restructure the GTH1 and GTH2 XSP LMM Incentive Programs and adopt a new set of heightened quoting standards for each program, as well as an additional VIX Index value category. The proposed VIX Index value categories and heightened quoting standards for XSP options during GTH1 is as follows in the table below:

VIX Value at Prior Close < 20									
Premium Level	Expiring		Near Term		Mid Term		Long Term		
	7 days or less		8 days to 60 days		61 days to 270 days		271 to 500 days		
	Width	Size	Width	Size	Width	Size	Width	Size	
\$0.01 - \$1.00	\$0.08*	5	\$0.08*	5	\$0.10*	5	\$0.15*	5	
\$1.01 - \$5.00	\$0.12*	5	\$0.12*	5	\$0.15*	5	\$0.20*	5	
\$5.01 - \$8.00	\$0.20*	5	\$0.20*	5	\$0.30*	5	\$0.40*	5	
\$8.01 - \$12.00	\$0.40*	5	\$0.50*	5	\$0.80*	5	\$1.00*	5	
\$12.01 - \$20.00	\$0.80*	5	\$1.00*	5	\$1.00*	5	\$1.50*	5	

¹¹ Located in the “GTH2 XSP LMM Incentive Program” table in the Fees Schedule.

Greater than \$20.00	\$1.50*	5	\$2.00*	5	\$2.00*	5	\$3.00*	5
VIX Value at Prior Close ≥ 20 and < 30								
\$0.01 - \$1.00	\$0.12*	5*	\$0.12*	5*	\$0.15*	5*	\$0.20*	5*
\$1.01 - \$5.00	\$0.15*	5*	\$0.15*	5*	\$0.20*	5*	\$0.30*	5*
\$5.01 - \$8.00	\$0.25*	5*	\$0.25*	5*	\$0.40*	5*	\$0.70*	5*
\$8.01 - \$12.00	\$0.60*	5*	\$0.80*	5*	\$1.10*	5*	\$1.50*	5*
\$12.01 - \$20.00	\$1.00*	5*	\$1.30*	5*	\$1.80*	5*	\$2.20*	5*
Greater than \$20.00	\$2.00*	5*	\$2.40*	5*	\$2.80*	5*	\$3.60*	5*
VIX Value at Prior Close ≥ 30								
\$0.01 - \$1.00	\$0.15*	5	\$0.16	5	\$0.20	5	\$0.30	5
\$1.01 - \$5.00	\$0.18	5	\$0.20	5	\$0.25	5	\$0.40	5
\$5.01 - \$8.00	\$0.25*	5	\$0.30	5	\$0.45	5	\$0.70	5
\$8.01 - \$12.00	\$0.60	5	\$0.90	5	\$1.20	5	\$1.50	5
\$12.01 - \$20.00	\$1.20	5	\$1.50	5	\$2.00	5	\$2.40	5
Greater than \$20.00	\$2.40	5	\$2.80	5	\$3.20	5	\$4.00	5

The proposed VIX Index value categories and heightened quoting standards for XSP options during GTH2 is as follows in the table below:

VIX Value at Prior Close < 20								
Premium Level	Expiring		Near Term		Mid Term		Long Term	
	7 days or less		8 days to 60 days		61 days to 270 days		271 to 500 days	
	Width	Size	Width	Size	Width	Size	Width	Size
\$0.01 - \$1.00	\$0.05*	5	\$0.07*	5	\$0.08*	5	\$0.12*	5

\$1.01 - \$5.00	\$0.10*	5	\$0.10*	5	\$0.12*	5	\$0.16*	5
\$5.01 - \$8.00	\$0.16*	5	\$0.16*	5	\$0.20*	5	\$0.40*	5
\$8.01 - \$12.00	\$0.30*	5	\$0.40*	5	\$0.60*	5	\$0.80*	5
\$12.01 - \$20.00	\$0.80*	5	\$0.80*	5	\$0.80*	5	\$1.20*	5
Greater than \$20.00	\$2.00	5	\$2.00*	5	\$2.00*	5	\$3.00*	5
VIX Value at Prior Close \geq 20 and $<$ 30								
\$0.01 - \$1.00*	\$0.10*	5*	\$0.10*	5*	\$0.12*	5*	\$0.20*	5*
\$1.01 - \$5.00*	\$0.14*	5*	\$0.15*	5*	\$0.16*	5*	\$0.30*	5*
\$5.01 - \$8.00*	\$0.20*	5*	\$0.20*	5*	\$0.30*	5*	\$0.60*	5*
\$8.01 - \$12.00*	\$0.50*	5*	\$0.70*	5*	\$1.00*	5*	\$1.30*	5*
\$12.01 - \$20.00*	\$1.00*	5*	\$1.20*	5*	\$1.50*	5*	\$2.20*	5*
Greater than \$20.00*	\$2.00*	5*	\$2.40*	5*	\$2.40*	5*	\$3.60*	5*
VIX Value at Prior Close \geq 30								
\$0.01 - \$1.00	\$0.15	5	\$0.16	5	\$0.20	5	\$0.30	5
\$1.01 - \$5.00	\$0.18	5	\$0.20	5	\$0.25	5	\$0.40	5
\$5.01 - \$8.00	\$0.25	5	\$0.30	5	\$0.45	5	\$0.70	5
\$8.01 - \$12.00	\$0.60	5	\$0.90	5	\$1.20	5	\$1.50	5
\$12.01 - \$20.00	\$1.20	5	\$1.50	5	\$2.00	5	\$2.40	5
Greater than \$20.00	\$2.40	5	\$2.80	5	\$3.20	5	\$4.00	5

The Exchange also proposes to increase the rebates offered by the GTH1 and GTH2 XSP LMM Incentive Programs to an LMM appointed to the program for meeting the

heightened quoting standards in a given month. The Exchange proposes to increase the rebates for both programs from \$15,000 to \$20,000.

RTH SPESG LMM Incentive Program

The Exchange proposes to amend the RTH SPESG LMM Incentive Program. The RTH SPESG LMM Incentive Program provides that if the appointed LMM provides continuous electronic quotes during RTH that meet or exceed the program's heightened quoting standards¹² in at least 60% of the series 90% of the time in a given month, the LMM will receive a rebate for that month in the amount of \$10,000 (or pro-rated amount if an appointment begins after the first trading day of the month or ends prior to the last trading day of the month). The Exchange proposes to update the rebate amount received for meeting the heightened quoting standards in a given month in SPESG, by decreasing the rebate amount from \$10,000 to \$5,000.

MBTX/MBTW LMM Incentive Program

The Exchange proposes to amend the MBTX/MBTXW LMM Incentive Program ("MBTX LMM Incentive Program"). The MBTX LMM Incentive Program provides that if the appointed LMM provides continuous electronic quotes during RTH that meet or exceed the program's heightened quoting standards¹³ in at least 85% of MBTX series 85% of the time in a given month, the LMM will receive (i) a payment for that month in the amount of \$10,000 (or pro-rated amount if an appointment begins after the first trading day of the month or ends prior to the last trading day of the month) for that month and (ii) a

¹² Located in the "RTH SPESG LMM Incentive Program" table in the Fees Schedule.

¹³ Located in the "RTH SPESG LMM Incentive Program" table in the Fees Schedule.

credit of \$0.25/contract applied to all MBTX contracts executed in Market-Maker capacity during RTH.

First, the Exchange proposes to amend the premium levels for the MBTX LMM Incentive Program. Currently the premium levels are as follows: \$0.00 to \$5.00, \$5.01 to \$15.00, \$15.01 to \$20.00, \$20.01 to \$50.00, \$50.01 to \$100.00, \$100.01 to \$200.00, and greater than \$200.00. The Exchange proposes to amend the premium levels to be \$0.00 to \$1.00, \$1.01 to \$3.00, \$3.01 to \$5.00, \$5.01 to \$10.00, \$10.01 to \$20.00, \$20.01 to \$50.00, and greater than \$50.00.

The Exchange also proposes to adopt a new set of MBTX heightened quoting standards (below) (new proposed widths and sizes are denoted with an asterisk).

Premium Level	6 days or less		7 days to 14 days		15 days to 60 days		61 to 120 days		121 to 270 days	
	Width	Size	Width	Size	Width	Size	Width	Size	Width	Size
\$0.00 - \$1.00	\$0.10*	15*	\$0.15*	15	\$0.15*	10	\$0.15*	5	\$0.25*	5
\$1.01 - \$3.00	\$0.20*	15*	\$0.20*	15	\$0.20*	10	\$0.25*	5	\$0.50*	5
\$3.01 - \$5.00	\$0.50*	15	\$0.50*	15	\$0.50	10	\$0.40*	5	\$1.00*	5*
\$5.01 - \$10.00	\$0.50*	5	\$0.60*	10*	\$0.60*	10*	\$0.60*	5	\$2.00*	3
\$10.01 - \$20.00	\$1.50*	1	\$5.00*	1	\$6.00*	1	\$0.80*	5*	\$2.50*	3
\$20.01 - \$50.00	\$8.00	1	\$10.00	1	\$10.00*	1	\$8.00*	1	\$10.00*	1
Greater than \$50.00	\$10.00	1	\$12.00	1	\$12.00*	1	\$8.00*	1	\$12.00*	1

CBTX/CBTXW LMM Incentive Program

The Exchange proposes to amend the CBTX/CBTXW LMM Incentive Program (“RTH CBTX LMM Incentive Program”). The CBTX LMM Incentive Program provides

that if an LMM appointed to the CBTX LMM Incentive Program provides continuous electronic quotes during RTH that meet or exceed the proposed heightened quoting standards (below) in at least 85% of CBTX series 85% of the time in a given month, the LMM will receive (i) a payment for that month in the amount of \$10,000 (or pro-rated amount if an appointment begins after the first trading day of the month or ends prior to the last trading day of the month) and (ii) a credit of \$0.50/contract applied to all CBTX contracts executed in Market-Maker capacity during RTH.

First, the Exchange proposes to amend the premium levels for the CBTX LMM Incentive Program. Currently the premium levels are as follows: \$0.00 to \$5.00, \$5.01 to \$15.00, \$15.01 to \$20.00, \$20.01 to \$50.00, \$50.01 to \$100.00, \$100.01 to \$200.00, and greater than \$200.00. The Exchange proposes to amend the premium levels to be \$0.00 to \$5.00, \$5.01 to \$10.00, \$10.01 to \$20.00, \$20.01 to \$50.00, \$50.01 to \$100.00, \$100.01 to \$200.00, and greater than \$200.00.

The Exchange also proposes to adopt a new set of CBTX heightened quoting standards (below) (new proposed widths and sizes are denoted with an asterisk).

Premium Level	6 days or less		7 days to 14 days		15 days to 60 days		61 to 120 days		121 to 270 days	
	Width	Size	Width	Size	Width	Size	Width	Size	Width	Size
\$0.00 - \$5.00	\$0.20*	10	\$0.50*	10	\$0.80*	10	\$0.80*	10*	\$1.00*	5
\$5.01 - \$10.00	\$0.50*	10	\$1.00*	10	\$1.00*	10	\$1.00*	10*	\$2.00*	5
\$10.01 - \$20.00	\$1.50*	10*	\$2.00*	10*	\$2.00*	5	\$2.00*	5	\$3.00*	5
\$20.01 - \$50.00	\$3.00*	5	\$3.00*	5	\$3.00*	5	\$3.00*	5	\$4.50*	5*
\$50.01 - \$100.00	\$6.00	1*	\$3.00*	5	\$3.50*	5	\$3.50*	5	\$8.00*	3
\$100.01 - \$200.00	\$12.00	1	\$12.00	1	\$10.00*	1	\$10.00*	1*	\$10.00*	1

Greater than \$200.00	\$16.00	1	\$16.00	1	\$16.00	1	\$16.00	1	\$16.00*	1
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(b) 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.¹⁴ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹⁵ 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 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)¹⁶ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers. The Exchange also believes the proposed rule change is consistent with Section 6(b)(4) of the Act,¹⁷ 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.

¹⁴ 15 U.S.C. 78f(b).

¹⁵ 15 U.S.C. 78f(b)(5).

¹⁶ Id.

¹⁷ 15 U.S.C. 78f(b)(4).

The Exchange believes that the proposed GTH Surcharge Fee for Market-Maker orders in XSP that are contra to non-customers that remove liquidity and that are executed electronically is reasonable, equitable and not unfairly discriminatory. Specifically, the Exchange believes the proposed Surcharge Fee for Market-Maker orders in XSP contra to non-customers that remove liquidity and that are executed electronically is reasonable, as the fee may encourage Market-Makers to maintain liquidity at the Exchange during GTH, thereby increasing potential trading opportunities to the benefit of investors. The Exchange believes that TPHs will continue to be incentivized to send additional Market-Maker orders to the Exchange during GTH. Additionally, the Exchange believes that the proposed fee change to the fee for Market-Maker orders in XSP contra to non-customers that remove liquidity and that are executed electronically is equitable and not unfairly discriminatory because the proposed fee will apply automatically and uniformly to all applicable Market-Maker orders in XSP.

The Exchange believes that it is reasonable to amend the monthly rebate amounts applicable to the GTH1 and GTH2 SPX/SPXW, RTH XSP, GTH1 and GTH2 XSP, and RTH SPESG LMM Incentive Programs. The Exchange notes that LMMs appointed to the respective programs will continue to receive a monthly rebate. The Exchange believes that the proposed rebate amounts are reasonably designed to continue to incentivize an LMM appointed to the respective program to meet the applicable quoting standards for SPX/SPW, XSP, and SPESG options, thereby providing liquid and active markets, which facilitates tighter spreads, increased trading opportunities, and overall enhanced market quality to the benefit of all market participants.

The Exchange further believes that the proposed rule change to amend the rebate amounts received for SPX/SPXW (\$25,000 for each of GTH1 and GTH2, with an additional rebate of \$15,000 for each, for satisfying the Mid Term quoting requirements), XSP (\$25,000 for meeting basic quoting requirements in RTH, \$15,000 for meeting advanced quoting requirement in RTH, and \$20,000 for each of GTH1 and GTH2), and SPESG (\$5,000) options is reasonable because they are in line with other rebates offered by other LMM Incentive Programs offered by the Exchange. The Exchange believes the amount of the rebate for each LMM Program remains commiserate with the quoting requirements of each of the LMM Incentive Programs, of which some standards are being restructured, as proposed.

The Exchange believes it is reasonable to decrease the series requirement for the MRUT LMM Incentive Program and to increase certain quote size requirements, as such changes are reasonably designed to slightly ease the difficulty in meeting the heightened quoting standards offered under the program (for which an appointed LMM may receive a rebate), which, in turn, provides increased incentive for LMMs appointed to the program to provide significant liquidity in MRUT options. Such liquidity benefits all market participants by providing more trading opportunities, tighter spreads, and added market transparency and price discovery, and signals to other market participants to direct their order flow to those markets, thereby contributing to robust levels of liquidity.

Additionally, the Exchange believes that it is reasonable to restructure the VIX Index value categories under the RTH and GTH XSP LMM Incentive Programs, as these proposed changes are reasonably designed to more gradually reflect then-current market conditions and market characteristics in XSP options where the VIX Index may be

experiencing moderate-to-higher volatility, and thus encourage LMMs appointed to the programs to meet the quoting standards to receive a rebate. Additionally, the proposed rule change is, in light of the restructuring of VIX Index value categories, generally designed to further align the lesser premium quote widths and size standards for XSP options with the more expensive premium quote width and size standards, in order to incentivize an increase in quoting activity and the provision of tighter markets for all premium levels.

In addition to this, the Exchange believes that it is reasonable to amend the expiry categories in the GTH SPX/SPXW LMM Incentive Programs, as these updates, which provide further granularity among expiry categories, are reasonably designed to make it easier for the LMMs appointed to the incentive program to satisfy the heightened quoting standards for options expiring a certain number of days out, by better aligning the applicable category of heightened quoting standards with the market characteristics and level of demand for options, based on their time to expiry.

Similarly, the Exchange believes that it is reasonable to amend the heightened quoting standards under the MRUT, GTH SPX/SPXW, RTH XSP, GTH XSP, GTH VIX, MBTX, and CBTX LMM Incentive Programs. The proposed quoting requirements are overall reasonably designed to continue to encourage LMMs appointed to the incentive programs to provide significant liquidity in these options, which benefits investors overall by providing more trading opportunities, tighter spreads, and added market transparency and price discovery.

The proposed changes adopt generally tighter widths and larger quote sizes for MRUT, SPX/SPXW XSP, and VIX options where the VIX Index may be experiencing lesser volatility (i.e., as the value of the VIX in the VIX value categories is smaller based

on the closing index value from the preceding trading session). The Exchange believes the proposed rule change provides a balance between providing more challenging opportunities, thus greater quoting incentive, where the VIX Index may be experiencing lesser volatility and maintaining the width and size requirements where the VIX Index may be experiencing more volatility, wherein the Exchange understands that demand and participation becomes less significant and thus more difficult for LMMs to quote within tighter widths and larger sizes. Also, by adopting heightened quoting standards that provide for tighter width and large size standards, the proposed rule change offers LMMs appointed to the program a more challenging opportunity, thus further incentive, to strive to meet the heightened quoting standards in order to receive the additional rebate on their MRUT, SPX/SPXW, XSP, and VIX options orders. In a similar way, the proposed changes adopt generally tighter widths and larger quote sizes for CBTX and MBTX options and are reasonably designed to provide more challenging opportunities, thus greater quoting incentive. Further, the proposed changes to the premium levels for the CBTX and MBTX LMM Incentive Programs are reasonable, in that they are designed to be more aligned with market characteristics demonstrated by a relatively new product.

The Exchange also notes that the proposed heightened quoting standards for MRUT, SPX/SPXW, XSP, VIX, CBTX, and MBTX options do not represent a significant departure from each of the program's current quote width and size standards and remain generally aligned with the current range of widths and sizes.

The Exchange believes that the proposed changes to the LMM Incentive Programs are equitable and not unfairly discriminatory. Specifically, the changes to the LMM Incentive Program will apply equally to any and all TPHs with LMM appointments to the

MRUT, SPX/SPXW XSP, VIX, SPESG, CBTX, and MBTX LMM Incentive Programs, as applicable, that seek to meet the programs' quoting standards in order to receive the rebates offered under each respective program. The Exchange additionally notes that, if an LMM appointed to any of the LMM Incentive Programs does not satisfy the corresponding heightened quoting standard for any given month, then it simply will not receive the rebate offered by the respective program for that month.

Regarding each of the LMM Incentive Programs generally, the Exchange believes it is reasonable, equitable and not unfairly discriminatory to continue to offer these financial incentives, including as amended, to LMMs appointed to the programs, because it benefits all market participants trading in the corresponding products during RTH (for MRUT, XSP, SPESG, MBTX and CBTX) and GTH (for VIX/VIXW, SPX/SPXW and XSP). These incentive programs encourage the LMMs appointed to such programs to satisfy the applicable quoting standards, which may increase liquidity and provide more trading opportunities and tighter spreads. Indeed, the Exchange notes that these LMMs serve a crucial role in providing quotes and the opportunity for market participants to trade MRUT, SPX/SPXW XSP, VIX, SPESG, CBTX, and MBTX options, as applicable, which can lead to increased volume, providing for robust markets. The Exchange ultimately offers the LMM Incentive Programs, as amended, to sufficiently incentivize LMMs appointed to each incentive program to provide key liquidity and active markets in the corresponding program products during the corresponding trading sessions, and believes that these incentive programs, as amended, will continue to encourage increased quoting to add liquidity in each of the corresponding program products, thereby protecting investors and the public interest. The Exchange also notes that an LMM appointed to an incentive

program may undertake added costs each month to satisfy that heightened quoting standards (e.g., having to purchase additional logical connectivity).

Item 4. 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 Exchange does not believe that the proposed rule change related to a GTH Surcharge for Market-Maker (capacity “M”) orders in XSP contra to non-customers that remove liquidity and that are executed electronically will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because the proposed fees will apply automatically and uniformly to all applicable Market-Maker orders in XSP during GTH.

Further, the proposed changes to existing LMM Incentive Programs will apply to all LMMs appointed to the applicable program classes (i.e., MRUT, SPX/SPXW XSP, VIX, SPESG, CBTX, and MBTX) in a uniform manner. To the extent these LMMs appointed to an incentive program receive a benefit that other market participants do not, as stated, these LMMs in their role as Market-Makers on the Exchange have different obligations and are held to different standards. For example, Market-Makers play a crucial role in providing active and liquid markets in their appointed products, thereby providing a robust market which benefits all market participants. Such Market-Makers also have obligations and regulatory requirements that other participants do not have. The Exchange also notes that an LMM appointed to an incentive program may undertake added costs each month to satisfy that heightened quoting standards (e.g., having to purchase additional logical connectivity). The Exchange also notes that the incentive programs are designed to

attract additional order flow to the Exchange, wherein greater liquidity benefits all market participants by providing more trading opportunities, tighter spreads, and added market transparency and price discovery, and signals to other market participants to direct their order flow to those markets, thereby contributing to robust levels of liquidity. As a result, the Exchange believes that the proposed change furthers the Commission’s goal in adopting Regulation NMS of fostering competition among orders, which promotes “more efficient pricing of individual stocks for all types of orders, large and small.”¹⁸

The Exchange does not believe that the proposed rule changes will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act, as the changes to adopt a GTH Surcharge fee applicable to certain Market-Maker transactions in XSP options and to amend certain LMM Incentive Programs apply only to transactions in products exclusively listed on the Exchange. As noted above, the incentive programs are designed to attract additional order flow to the Exchange, wherein greater liquidity benefits all market participants by providing more trading opportunities, tighter spreads, and added market transparency and price discovery, and signals to other market participants to direct their order flow to those markets, thereby contributing to robust levels of liquidity. To the extent that the proposed changes make Cboe Options a more attractive marketplace for market participants at other exchanges, such market participants are welcome to become Cboe Options market participants.

Item 5. Self-Regulatory Organization’s Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

¹⁸ See Securities Exchange Act Release No. 51808, 70 FR 37495, 37498-99 (June 29, 2005) (S7-10-04) (Final Rule).

The Exchange neither solicited nor received comments on the proposed rule change.

Item 6. Extension of Time Period for Commission Action

Not applicable.

Item 7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2) or Section 19(b)(7)(D)

(a) The proposed rule change is filed for immediate effectiveness pursuant to Section 19(b)(3)(A) of the Act¹⁹ and Rule 19b-4(f)(2)²⁰ thereunder.

(b) The Exchange designates that the proposed rule change establishes or changes a due, fee, or other charge imposed by the Exchange, which renders the proposed rule change effective upon filing with the Securities and Exchange Commission (the “Commission”). At any time within 60 days of the filing of this 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.

(c) Not applicable.

(d) Not applicable.

Item 8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

The proposed rule change is not based on a rule either of another self-regulatory organization or of the Commission.

¹⁹ 15 U.S.C. 78s(b)(3)(A).

²⁰ 17 CFR 240.19b-4(f)(2).

Item 9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

Item 10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

Item 11. Exhibits

Exhibit 1. Completed Notice of Proposed Rule Change for publication in the Federal Register.

Exhibit 5. Proposed rule text.