

## **SECURITIES AND EXCHANGE COMMISSION**

**[Release No. 34-103490; File No. SR-CBOE-2025-050]**

### **Self-Regulatory Organizations; Cboe Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend its Fees Schedule with Respect to its Frequent Trader Program and to Clarify Criteria Related to its Floor Broker Sliding Scale Supplemental Rebate Program**

July 17, 2025.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on July 16, 2025, 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 Substance of the Proposed Rule Change**

Cboe Exchange, Inc. (the “Exchange” or “Cboe Options”) proposes to amend its Fees Schedule with respect to its Frequent Trader Program and to clarify criteria related to its Floor Broker Sliding Scale Supplemental Rebate Program. 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 ([https://www.cboe.com/us/options/regulation/rule\\_filings/](https://www.cboe.com/us/options/regulation/rule_filings/)) and at the Exchange’s Office of the Secretary.

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

## **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.

### **A. 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.<sup>3</sup>

By way of background, through the Frequent Trader Program, the Exchange offers transaction fee rebates to Customers and Professional Customers (origin codes “C” and “U”, respectively) (collectively “Customers”) that meet certain volume thresholds in VIX, SPX (including SPXW) and RUT options, provided the Customer registers for the program (the “Frequent Trader Program” or “Program”). Once registered, the Customer is provided a unique identification number (“FTID”) that can be affixed to each of its orders. The FTID allows the Exchange to identify and aggregate all electronic and manual trades during both the Regular Trading Hours and Global Trading Hours sessions from that Customer for purposes of determining whether the Customer meets any of the various volume thresholds. The Customer has to provide its FTID to the Trading Permit Holder (“TPH”) submitting that Customer’s order to the Exchange

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<sup>3</sup> The Exchange initially filed the proposed fee changes on July 1, 2025 (SR-CBOE-2025-045). On July 9, 2025, the Exchange withdrew that filing and submitted SR-CBOE-2025-048. On July 16, 2025, the Exchange withdrew that filing and submitted this filing.

(“executing agent” or “executing TPH”) and that executing TPH would have to enter the Customer’s FTID on each of that Customer’s orders.<sup>4</sup>

The Exchange proposes changes to the Fees Schedule to amend the Program. Pursuant to the proposed changes, when Customers eligible for the Program trade via sub-funds that are all part of the same larger fund (“FTID Group”), individual FTID trading activity may be aggregated across all FTIDs that are part of that FTID Group to qualify for the Program tiers and corresponding fee rebates. Any fee rebates received under the Program will be calculated individually for each Customer based on their individual volume using the rebate rate associated with the volume tier achieved by the FTID Group.

Consider the following example, which shows three individual FTIDs belonging to one FTID Group, along with their associated monthly volume. Under the current Program, none of the individual FTIDs would achieve the minimum rebate tier. However, as an FTID Group, the aggregated monthly SPX volume of 20,500 contracts would allow for each of the individual FTIDs to achieve the Tier 1 (i.e., 3%) fee rebate.

<i>FTID</i>	<i>SPX Contracts Executed in a Month</i>
1AAAAA	5,000
2BBBBB	7,500
3CCCCC	8,000

Under the proposed changes, each FTID can only be associated with one FTID Group. The fund operator may establish a FTID Group by registering at the Program website<sup>5</sup> no later

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<sup>4</sup> The Exchange notes that it is the responsibility of the Customer to request that the executing TPH affix its FTID to its order(s), and that it is voluntary for the executing TPH to do so.

<sup>5</sup> [https://www.cboe.com/us/options/trading/frequent\\_trader\\_program/](https://www.cboe.com/us/options/trading/frequent_trader_program/)

than 5:00 p.m. ET, three days prior to the last business day of the month and prior to the start of the month for which aggregation will take effect. The Exchange believes the proposed change will continue to encourage increased trading volume and simplify operational processes for fund operators, while continuing to preserve the calculation of rebates based on each individual FTID's trading volume.

The Exchange also proposes a clarifying change to its Floor Broker Sliding Scale Supplemental Rebate Program (“Supplemental Rebate Program”). Under the Supplemental Rebate Program, the Exchange calculates rebates based on qualifying, and eligible TPHs receive rebates only on qualifying Non-Firm Facilitated orders processed through the Floor Broker Sliding Scale Rebate Program (specifically, Non-Customer, Non-Strategy Floor Broker orders that do not yield fee code FF). The Supplemental Rebate Program has four tiers, each with its own criteria based on FLEX Floor Broker Volume (which is meant to include applicable FLEX Volume across all channels (i.e., manual and electronic)) and corresponding rebate. To avoid confusion, Exchange proposes to amend each tier criteria to refer to FLEX Volume, rather than FLEX Floor Broker Volume. There are no changes to the operation of the Supplemental Rebate Program, including rebates offered, as a result of the change.

## 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.<sup>6</sup> Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)<sup>7</sup> requirements

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<sup>6</sup> 15 U.S.C. 78f(b).

<sup>7</sup> 15 U.S.C. 78f(b)(5).

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)<sup>8</sup> 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,<sup>9</sup> 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 that its proposed change to amend the Program is consistent with Section 6(b)(4) of the Act in that the proposed rule change is reasonable, equitable and not unfairly discriminatory. The Exchange believes the proposed change is reasonable in that the change is designed to promote operational efficiencies for Program administration. In many cases sub-funds operate as part of a unified investment strategy. Due to current Program restrictions, eligible Customers that trade via sub-funds may be inadvertently disadvantaged due to this organizational structure, as firms may choose not to utilize the Program due to the administrative burden of allocating rebates received if they register for the Program at the parent level to accommodate this organizational structure. The Exchange believes that allowing individual FTID trading activity to be aggregated across all FTIDs that are part of an FTID

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<sup>8</sup>

Id.

<sup>9</sup>

15 U.S.C. 78f(b)(4).

Group will promote a more efficient operation of the Program and encourage increased Customer trading volume by making the Program simpler to implement, while continuing to preserve the calculation of rebates based on each individual FTID's trading volume.

Further, the Exchange believes the proposed Program change is equitable and not unfairly discriminatory because the proposed Program changes are available to all Customers eligible for the Program that meet the requirements (i.e., trade via sub-funds that are part of the same larger fund). Further, any fund operator can establish a FTID Group, subject to the same requirements which are publicly available on the Exchange website and in the Fees Schedule. As noted above, each FTID can only be associated with one FTID Group, and rebates, while based on the volume tier achieved by the group, will be calculated individually for each Customer based on their individual volume.

Additionally, the Exchange believes the proposed change to clarify the criteria for its Supplemental Rebate Program will remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, will protect investors and the public interest. Similarly, the Exchange believes that its proposed change to clarify the criteria for its Supplemental Rebate Program is consistent with Section 6(b)(4) of the Act. The proposed change merely clarifies that applicable FLEX Volume across all channels (i.e., manual and electronic) qualifies for purposes of meeting the tier criteria under the Supplemental Rebate Program. Overall, the changes are intended to add clarity to the Fees Schedule, thereby mitigating any potential confusion, to the benefit of investors. As noted above, there are no changes to the operation of the Supplemental Rebate Program, including rebates offered, as a result of the change.

**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 changes to the Program will apply uniformly to all eligible Customers who trade via sub-funds that are all part of a registered FTID Group. The Exchange does not believe the proposed clarifying rule changes will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act, as the changes will not result in any practical changes to the Supplemental Rebate Program, but rather are being added to eliminate potential confusion.

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 because the proposed rule change related to the Program applies to Exchange proprietary products, which are traded exclusively on the Exchange. 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. The clarifying rule changes are not intended to have any impact on competition, as they make no substantive change to the Fees Schedule and will have no impact on trading on the Exchange.

**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 Act<sup>10</sup> and paragraph (f) of Rule 19b-4<sup>11</sup> 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 (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include file number SR-CBOE-2025-050 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.

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<sup>10</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>11</sup> 17 CFR 240.19b-4(f).

All submissions should refer to file number SR-CBOE-2025-050. This file number should be included on the subject line if email 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 (<https://www.sec.gov/rules/sro.shtml>). Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-CBOE-2025-050 and should be submitted on or before [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>12</sup>

**Sherry R. Haywood,**

*Assistant Secretary.*

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<sup>12</sup> 17 CFR 200.30-3(a)(12).