



CFE Regulatory Circular RG17-028

Date: December 13, 2017

To: Trading Privilege Holders and Market Data Recipients

From: CFE Trade Desk

RE: CFE Trading Permits and Fee Schedule Changes

Overview

Cboe Futures Exchange, LLC (CFE) is issuing this circular to describe how trading permits will function for CFE Trading Privilege Holders (TPHs) during 2018 and certain fee changes that CFE will be implementing for 2018.¹

Trading Permits

The term of each CFE Order Entry Trading Permit and Quoting and Order Entry Trading Permit that is issued and outstanding at the end of 2017 (including any issued and outstanding trading permits for which the logins are not currently being used) shall be automatically extended until the migration of CFE's trading system to Bats technology unless the TPH permit holder notifies CFE by December 29, 2017 by sending an e-mail to registration@cboe.com that the TPH permit holder would like to have the TPH permit expire on December 31, 2017.

All Order Entry Trading Permits and Quoting and Order Entry Trading Permits issued for use prior to the migration of CFE trading system to Bats technology shall expire upon the completion of the migration. As previously announced, the planned implementation date for the migration is Sunday, February 25, 2018 for business date Monday, February 26, 2018.

Each TPH that has one or more Order Entry Trading Permits and Quoting and Order Entry Trading Permits at the time of the migration shall be issued a single trading permit for use following the migration. The term of each trading permit that is issued for use following the migration and that is outstanding at the end of 2018 shall expire on December 31, 2018. The Exchange may determine to extend the term of these trading permits or allow these trading permits to expire. The Exchange may also replace the TPH Permit program with a different permit program at any time.

¹ The extension of the CFE trading permit program and some of these fee changes are subject to regulatory review.



Trading Permit Fees

CFE trading permit fees for January 2018 will be \$500 per month. Effective **February 1, 2018**, the monthly fees for CFE trading permits will be modified as follows:

| TPH Capacity | Clearing | Proprietary Trading / Pool Manager/ Pooled Investment Vehicle | Retail Brokerage / Executing Brokerage |
|----------------------------|----------|---|--|
| Monthly Trading Permit Fee | \$100 | \$600 | \$700 |

The monthly fee for a trading permit will be based on the capacity or capacities of a TPH on CFE. There are three categories of capacities as described in the above table. If a TPH has capacities in multiple categories, the TPH will be assessed the monthly Trading Permit Fee for each category. If a TPH has capacities in the same category, the monthly Trading Permit Fee for that category covers all capacities in that category and the TPH will not be assessed an additional monthly Trading Permit Fee for that category. For example, a self-clearing TPH which is also an executing broker would be charged \$800 per month. However, a TPH that is a retail broker and also an executing broker would be charged only \$700 per month.

Logical Port Fees

Effective **February 1, 2018**, the monthly fees for CFE logical ports will be:

| Service | Quantity | Monthly Fee (per Port) |
|---|--------------------|------------------------|
| Order Entry Logical Ports | First Port | \$400 |
| | Ports 2-4 | \$800 |
| | Ports 5-25 | \$1,200 |
| | Ports 26 and above | \$0 |
| Execution Drop Port (for Executions only) | | \$400 |
| Order Drop Port (for Orders and Executions) | | \$600 |
| Purge Port | | \$600 |
| Spin Server Port | | \$0 |
| Gap Request (GRP) Port | | \$0 |

Purge Ports

As part of its new trading platform, CFE will be introducing production purge ports on **February 25, 2018** to provide TPHs additional risk management and open order control functionality.

Purge ports will allow TPHs to submit a cancellation for all open orders, or a subset thereof, across multiple sessions under the same EFID. Purge requests will be initiated by sending a single message over an individual purge port.



Through the use of purge ports, TPHs will have the ability to effectively manage their exposure across individual desks, strategies, and/or risk profiles. The ability to group orders based on a TPH's specific risk parameters allows subsequent purge requests to be tailored to varying levels of risk tolerance.

CFE Non-Professional Market Data Fee Waiver Program for European and Middle Eastern Retail Firms

CFE is implementing the CFE Non-Professional Market Data Fee Waiver Program for European and Middle Eastern Retail Firms in 2018. The Program enables CFE market data Distributors that qualify for the Program to receive a waiver of the External Distribution Fee and Non-Professional User/Device Fees in accordance with the following provisions of the Program.

A Distributor must satisfy the following requirements in order to participate in the Program: (i) the Distributor has its principal place of business in a country in Europe or the Middle East, as designated by CFE; (ii) at least 70% of the Distributor's market data subscribers are domiciled in countries in Europe and the Middle East, as designated by CFE; (iii) the Distributor has directly signed a market data agreement with CFE; and (iv) the Distributor has signed up for the Program in a form and manner prescribed by CFE. The External Distribution fee and Non-Professional User/Device fees are waived for the first six months after a Distributor that satisfies the above requirements signs up for the Program. The Distributor is eligible to continue to receive a waiver of these fees under the Program for any future month if the number of contracts traded on CFE during that month which are attributable to the Distributor, in a form and manner designated by CFE, exceeds 5,000 contracts. The Program will be in effect through December 2018.

February Invoicing

The CFE fees that are changing in connection with the migration of CFE's trading system to Bats technology will be assessed starting on February 1, 2018 for the entire month of February 2018 to avoid assessing two different sets of fees for portions of February 2018. Any pre-migration fees which are changing in connection with the migration will not be assessed for February 2018. Starting with March 2018 invoices, CFE fees are invoiced at the beginning of each month for the previous month of service.

Additional Information

Please refer to [CFE Regulatory Circular RG17-013](#) regarding other CFE fee changes that CFE previously announced for 2018.

CFE has also posted to the CFE integration website the [CFE Fee Schedule Effective January 1, 2018](#) and the [CFE Fee Schedule Effective February 1, 2018](#).



For additional information on logical port and purge port functionality, please review the FIX/BOE and Risk Management Specifications:

- [CFE Risk Management Specification](#)
- [CFE FIX Specification](#)
- [CFE BOE Specification](#)

TPHs may contact the Registration Services Department at (312) 786-7449 or registration@cboe.com with any questions relating to CFE trading permits. Please contact the CFE Trade Desk or your Business Development Manager with any other questions regarding the changes described in this circular or the migration of CFE's trading system to Bats technology.

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