

CBOE Futures Exchange, LLC (CFE) recently implemented a Foreign Proprietary Trading Firm Incentive Program (Program) or (FORIP). The Program provides an incentive for foreign proprietary trading firms located in CFE approved foreign jurisdictions to trade in designated CFE products. A summary of the Program is provided below. Please refer to the CFE Policy and Procedures <https://cfe.cboe.com/publish/cfepolicies/cfepoliciesandprocedures.pdf> for further details regarding the Program.

What products qualify?

VX – CBOE Volatility Index (VIX) futures

VU – CBOE Russell 2000 Volatility Index (RVX) futures

Who is eligible?

- Available to foreign based proprietary trading firms located in CFE Approved Foreign Jurisdictions.
- Firms must be a CFE TPH and located in a CFE Approved Foreign Jurisdiction.

What other requirements apply?

- Each TPH must complete the Foreign Proprietary Trading Firm Incentive Program Application Form <http://cfe.cboe.com/publish/cfetradingleadforms/foreign-proprietary-incentive-program-application-form.pdf> and the firm must be located in an approved jurisdiction.
- Two minimum volume thresholds must be met during a calendar month in both regular trading hours and ETH. Firm must satisfy both the total contract volume and the ETH volume minimum thresholds in order for a rebate to be applicable for that calendar month.
- Rebates are applied at the firm level; not the trader level.
- Cannot combine TPHs to receive rebates.
- Month-to-month program.
- Application must be received before the 1st of the month in order to be eligible for rebates for that calendar month.
- Based on TPH's volume during calendar month.
- The firm must utilize CFE self-trade prevention functionality.

What are the benefits?

CFE will rebate transaction fees (excluding block trade and regulatory fees) based on the minimum volume thresholds in VX and VU futures (combined) during both regular trading hours and ETH, through the expiration of the Program on December 31, 2017.

Are there any minimum volume thresholds?

- a. Tier Model:
 - i. Tier 1: 50k contracts (7,500 must be during ETH) = 15% rebate
 - ii. Tier 2: 80k contracts (10k must be during ETH) = 30% rebate
 - iii. Tier 3: 130k contracts (15k must be during ETH) = 45% rebate

Are any countries excluded?

Available to only foreign based proprietary trading firms that are located in CFE Approved Jurisdictions. The Program does not apply to proprietary trading firms that are located in the United States or any foreign jurisdictions which have not been approved by CFE. To view a list of approved foreign jurisdictions, visit: <http://cfe.cboe.com/nftafj>.

Are Program participants eligible for other CFE Programs?

A trader in the Program may not also participate in CFE's Day Trade Fee Program, Southern Hemisphere New Foreign Proprietary Trading Firm Incentive Program, or the New European Futures Commission Merchant Incentive Program. To view CFE Fee schedule, visit: <http://cfe.cboe.com/cfefees>.

Additional Information

Please direct any questions regarding the Foreign Proprietary Trading Firm Incentive Program to Jay Caauwe at (312) 786-8855 (caauwe@cboe.com) or John Tornatore at (312) 786-7715 (tornatore@cboe.com).

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