

CBOE Futures Exchange, LLC (CFE) recently implemented a New Foreign Trader Incentive Program (Program). The Program provides a rebate for new traders associated with proprietary trading firms located in CFE approved foreign jurisdictions. A summary of the Program is provided below. Please refer to Policy and Procedure XX of the Policies and Procedures section of the CFE Rulebook <http://cfe.cboe.com/nftpap> 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?

A trader must have no prior experience trading on CFE and must have received training on CFE products. The trader must be associated with a foreign proprietary trading firm that becomes a CFE Trading Privilege Holder (TPH) on or after January 1, 2016 which was not a CFE TPH prior to that date. Each trader and the trader's firm must complete the New Foreign Trader Incentive Program Application Form <http://cfe.cboe.com/nftapp>, and the trader must be approved by CFE as eligible to participate in the Program.

What other requirements apply?

- ▶ The trader must provide notice to CFE of the account(s) in which the trader will execute transactions in CFE products under the Program. The identified account(s) may not be used by any other party.
- ▶ The trader must agree to receive information from CFE and be contacted by CFE representatives by phone, e-mail, or postal mail.
- ▶ The trader must utilize CFE self-trade prevention functionality.

What are the benefits?

CFE will rebate regular transaction fees for up to a maximum of 20,000 transaction sides in VX and VU futures, combined, per qualified trader, through the expiration of the Program on June 30, 2017.

Are there any minimum volume thresholds?

Each trader must execute at least 3,000 transaction sides in VX and/or VU futures combined during each calendar quarter to continue to qualify for the Program. If this requirement is not met, the trader will be removed from the Program. This requirement does not apply for a calendar quarter if a trader becomes a Program participant during a quarter following the beginning of that quarter.

Are any countries excluded?

A trader must trade on CFE through the facilities of a foreign proprietary trading firm that are located in a CFE approved foreign jurisdiction. The Program does not apply to the United States and to 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 the Day Trade Fee Program?

A trader in the Program may not also participate in CFE's Day Trade Fee Program. Traders may only participate in one of these Programs at a time.

What happens when the Program expires?

All futures sides executed subsequent to reaching the 20,000 transaction side threshold or after the expiration date of the Program will be charged based on the CFE Fee Schedule. To view CFE Fee schedule, visit:

<http://cfe.cboe.com/cfeees>

Additional Information

Please direct any questions regarding the New Foreign Trader 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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