



## Regulatory Circular RG10-80

**To: Trading Permit Holders**

**From: Market Quality Assurance and Accounting Departments**

**Date: July 6, 2010**

**Re: Multi-Class Broad-Based Index Spread Transactions  
Are Not Subject to SPX Tier Appointment Fee**

### SPX Tier Appointment Fee Not Applicable to Multi-Class Broad-Based Index Spreads

The SPX Tier Appointment Fee is assessed to any Market-Maker Trading Permit Holder that either (a) has an SPX Tier Appointment at any time during a calendar month; or (b) conducts any open outcry transactions in SPX at any time during a calendar month. The SPX Tier Appointment Fee is not applicable to multi-class broad-based index spread transactions executed by Market-Makers that include SPX options because these spread transactions also include non-SPX options.<sup>1</sup> Additionally, these transactions may be executed by Market-Makers from either the trading crowd for the non-SPX option component of the spread transaction or from the SPX trading crowd, subject to the requirements of CBOE Rule 24.19.

### Form Must Be Submitted to Avoid Assessment of SPX Tier Appointment Fee for Multi-Class Broad-Based Index Spreads

Market-Makers to which the SPX Tier Appointment Fee is not otherwise applicable must complete and submit the SPX Tier Appointment Fee Exclusion for Multi-Class Broad-Based Index Spread Transactions Form located at <http://www.cboe.com/tradingresources/feeschedule.aspx> in order to avoid assessment of the SPX Tier Appointment Fee as a result of a multi-class broad-based index spread transaction with an SPX component executed by the Market-Maker. The Form will enable the Exchange to differentiate these spread transactions from other transactions that result in assessment of the Fee. The completed Form should be submitted via e-mail to The Market Quality Assurance (MQA) group at [mqa@cboe.com](mailto:mqa@cboe.com) within 3 business days of the execution of the applicable spread transaction(s).

Any questions regarding this circular may be directed to the MQA group at (312) 786-7198 or David Reynolds at [Reynolds@cboe.com](mailto:Reynolds@cboe.com) or (312) 786-7034.

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<sup>1</sup> CBOE Rule 24.19 permits the execution of Multi-Class Broad-Based Index Option Spread Orders, which are generally defined as orders to buy a stated number of contracts of a broad-based index option or ETF/ETN option derived from a broad-based index and to sell an equal number, or an equivalent number of contracts of a different broad-based index option or ETF/ETN option derived from a broad-based index. These orders may be represented at the trading station of either option involved, subject to the conditions in Rule 24.19. The eligible multi-class spread orders under Rule 24.19 that involve SPX options currently include any combination of OEF, OEX, XEO, or SPX and any combination of SPX, SPY, XSP, VIX, VXX, VXZ, BSZ, or BVZ. Please refer to CBOE Regulatory Circular RG10-62 for additional detail regarding the requirements applicable to the execution of these orders.