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SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-72822; File No. SR-CBOE-2014-061)

August 12, 2014

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend its Fees Schedule

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on August 1, 2014, Chicago Board Options Exchange, Incorporated (the “Exchange” or “CBOE”) 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

The Exchange proposes to amend its Fees Schedule. The text of the proposed rule change is available on the Exchange’s website (<http://www.cboe.com/AboutCBOE/CBOELegalRegulatoryHome.aspx>), at the Exchange’s Office of the Secretary, and at the Commission’s Public Reference Room.

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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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 applicable to the PULSe workstation monthly fee. By way of background, the PULSe workstation is a front-end order entry system designed for use with respect to orders that may be sent to the trading systems of CBOE. The Exchange currently charges firms a fee of \$350 per month for the first 10 Trading Permit Holder workstations ("TPH Workstations") and \$100 per month for all subsequent TPH Workstations. TPHs may also make a workstation available to their customers, which may include non-broker dealer public customers and non-TPH broker dealers (referred to herein as "non-TPH Workstations"). For such non-TPH Workstations, the Exchange currently charges a fee of \$350 per month per workstation.³ In addition, the Exchange waives the monthly workstation fees for the first month for the first new user of a TPH or non-TPH using a PULSe workstation.⁴

The purpose of this proposed rule change is to modify the limited fee waiver available to new users of a TPH or non-TPH Workstation. Specifically, in order to give new users time to become familiar with and fully acclimated to the PULSe workstation

³ In instances where two or more TPHs wish to make a PULSe workstation available to the same non-TPH customer, a fee reduction applies. Under the reduction, if two or more TPHs make the PULSe workstation available to the same non-TPH.

⁴ A TPH or non-TPH Workstation is utilized by a "user" with a specific user login. When a firm with an existing workstation, either TPH or non-TPH, adds another workstation another user login is generated. Currently, the firm receives a one month fee waiver for the workstation utilized by the new user login, but continues to pay the fee for the previous workstation.

functionality, the Exchange proposes to waive the monthly workstation fees for the first two months for all new users⁵ between August 1, 2014 and December 31, 2014.⁶ In addition, the fee for August 2014 is waived for any users that became new users in July 2014. After December 31, 2014, the PULSe workstation fee will revert to its current form, which provides that the fee is waived for the first month for the first new user of a TPH or non-TPH workstation. The proposed fee waivers are based on CBOE's billing period, which is based on a calendar month (i.e., begins on the first day of each month and ends on the last day of each month). For example, if a firm has a new user that begins using a PULSe workstation on August 15th, the firm's workstation fees for the new user would be waived from August 15th – September 30th (i.e., their August and September bills would not have a charge for the new user's workstation) or if a firm has a new user that begins using a PULSe workstation on September 25th, the firm's workstation fees for the new user would be waived from September 25th – October 31st (i.e., their September and October bills would not have a charge for the new user's workstation).

⁵ A firm that is currently utilizing a TPH or non-TPH Workstation but seeks to add another workstation is adding a new user. The proposal allows for a fee waiver for all new users between August 1, 2014 and December 31, 2014. For example, if a firm has one workstation and adds three more in August, the firm will get a fee waiver for the three new workstations for two months (i.e., their August and December [sic] bill will not have a charge for the three new workstations). A firm that is not currently utilizing a TPH or non-TPH Workstation may also add any number of workstations from August 1, 2014 and December 31, 2014, and receive the same two month fee waiver.

⁶ If a firm has a new user in December, the firm will receive a fee waiver for that user for December 2014 and January 2015.

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.⁷

Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)⁸ requirements 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 facilitation 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)⁹ 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,¹⁰ 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.

In particular, the Exchange believes the fee waiver is reasonable because the fee waivers will serve as an incentive for TPHs and their sponsored user customers to use the

⁷ 15 U.S.C. 78f(b).

⁸ 15 U.S.C. 78f(b)(5).

⁹ Id.

¹⁰ 15 U.S.C. 78f(b)(4).

PULSe workstation as an additional trading tool on their trading desks. In addition, it is an incentive for firms that had new users in July 2014 to remain users of their workstation. The Exchange believes that it is equitable and not unfairly discriminatory because all firms with new users after August 1, 2014 and prior to December 31, 2014, are eligible for the fee waiver. In addition, allowing firms with new users in July 2014 to receive a fee waiver for August 2014 is not retroactive because under the current rules the firms are already receiving a fee waiver for July. Although firms that were already utilizing PULSe prior to July 2014 only received a one month fee waiver, which may be perceived as unfair discrimination, they too may have new users in the coming months and will benefit from the two month fee waiver for new users.

B. Self-Regulatory Organization's Statement on Burden on Competition

CBOE 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.

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 Act¹¹ and paragraph (f) of Rule 19b-4¹² 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

¹¹ 15 U.S.C. 78s(b)(3)(A).

¹² 17 CFR 240.19b-4(f).

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 (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-CBOE-2014-061 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.

All submissions should refer to File Number SR-CBOE-2014-061. This file number should be included on the subject line if e-mail 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 (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld

from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, D.C. 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-CBOE-2014-061 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹³

Kevin M. O'Neill
Deputy Secretary

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¹³ 17 CFR 200.30-3(a)(12).