



BOXSM
O P T I O N S

Informational Circular

IC-2016-18

TO: BOX Options Participants
FROM: BOX Market Operations Center
SUBJECT: Fee Change – August 2016
DATE: July 29, 2016

Effective **August 1, 2016**, BOX Options Exchange (“BOX”) is making the following changes to the BOX Fee Schedule:¹

PIP and COPIP Transactions

The Exchange is amending the fee structure for both PIP and COPIP Orders and Improvement Orders to differentiate between transactions in Penny and Non-Penny Pilot Classes. Additionally, the Exchange is adjusting certain fees throughout the structure.

The fees for PIP and COPIP Orders and Improvement Orders will now be as follows:

Account Type	PIP and COPIP Orders		Improvement Orders	
	Penny Pilot Classes	Non-Penny Pilot Classes	Penny Pilot Classes	Non-Penny Pilot Classes
Public Customer	\$0.00	\$0.00	\$0.15	\$0.15
Professional Customer or Broker Dealer	\$0.05	\$0.05	\$0.12	\$0.38
Market Maker	\$0.05	\$0.05	\$0.12	\$0.38

Primary Improvement Order

The Exchange is then amending the tiered fee schedule for Initiating Participants to specify that these fees will only apply to Primary Improvement Order executions where the corresponding PIP or COPIP Order is from the account of a Public Customer. Additionally, the Exchange is decreasing the fee in Tier 5 from \$0.05 to \$0.02.

The Tiered Fee Schedule for Primary Improvement Orders will be as follows:

¹ Pending regulatory filings.

Tier	Percentage Thresholds of National Customer Volume in Multiply-Listed Options Classes (Monthly)	Per Contract Fee (All Account Types)
1	0.000% - 0.079%	\$0.25
2	0.080% - 0.159%	\$0.20
3	0.160% - 0.499%	\$0.12
4	0.500% - 0.999%	\$0.07
5	1.000% and Above	\$0.02

For Primary Improvement Orders where the corresponding PIP or COPIP Order is from the account of a Non-Public Customer, the Exchange is establishing a flat \$0.05 per contract execution fee.

BOX Volume Rebate

BOX is amending the BOX Volume Rebate ("BVR") to specify that PIP or COPIP Orders from the account of Non-Public Customers will be exempt from the BVR. The Exchange is also reducing the rebate for Public Customer PIP and COPIP Orders of 100 and under contracts that trade solely with their contra order from \$0.05 to \$0.03.

Lastly, BOX is adjusting certain rebates within the BVR. The new BVR will now be as follows:

Tier	Percentage Thresholds of National Customer Volume in Multiply-Listed Options Classes (Monthly)	Per Contract Rebate (All Account Types)	
		<i>PIP</i>	<i>COPIP</i>
1	0.000% to 0.159%	(\$0.00)	(\$0.00)
2	0.160% to 0.339%	(\$0.02)	(\$0.02)
3	0.340% to 0.999%	(\$0.04)	(\$0.04)
4	1.000% to 1.249%	(\$0.07)	(\$0.06)
5	1.250% and Above	(\$0.12)	(\$0.06)

Liquidity Fees and Credits

The Exchange is amend the liquidity fees and credits to specify that these fees and credits will only apply to PIP and COPIP transactions where the PIP or COPIP Order is from the account of a Public Customer. The Exchange is raising the liquidity fees and credits for these transactions.

Accordingly, a PIP or COPIP Order from the account of a Public Customer, the Primary Improvement Order and any corresponding Improvement Orders will be subject to the following liquidity fees and credits:

	Fee for Adding Liquidity	Credit for Removing Liquidity
Non-Penny Pilot Classes	\$0.77	(\$0.77)
Penny Pilot Classes	\$0.38	(\$0.38)

For PIP and COPIP transactions where the PIP and COPIP Order is from the account of a Non-Public Customer, the Exchange is establishing new liquidity fees and credits. These fees and credits will only apply to the portion of the Non-Public Customer PIP or COPIP Order that does not trade with its Primary Improvement Order. Accordingly, only the Non-Public Customer PIP or COPIP Order and any corresponding Improvement Orders will be subject to the following fees and credits:

	Fee for Adding Liquidity	Credit for Removing Liquidity
Non-Penny Pilot Classes	\$0.77	(\$0.77)
Penny Pilot Classes	\$0.38	(\$0.38)

Eligible Orders Routed to an Away Exchange

The Exchange is adjusting the routing fee in Section IV of the Fee Schedule. Specifically, the Exchange is increasing the per contract routing fee to \$0.60.

For more information about changes to the routing fee, see [SR-BOX-2016-36](#).

Complete Fee Schedule

The complete BOX fee schedule is available on the BOX website at <http://boxoptions.com/fee-schedule/>.

Contact

Please contact the Market Operations Center at (866) 768-8845 or by e-mail at BOXMOC@boxoptions.com should you require additional information.