

Corporate & Financial Weekly Digest

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CBOE Proposes Rule Change Relating to Order Router Subsidy Program

On January 3, the Securities and Exchange Commission published a notice of a proposed rule change submitted by the Chicago Board Options Exchange (CBOE). CBOE currently makes subsidy payments to CBOE Trading Permit Holders (TPHs) that provide “certain order routing functionalities” to other CBOE TPHs and/or use such functionalities themselves. These payments are meant to subsidize the participating CBOE TPHs’ costs of providing such order routing functionalities to other CBOE TPHs.

CBOE proposes to extend its current subsidy program to (1) enable CBOE to establish subsidy arrangements with broker-dealers that are not CBOE TPHs (Non-CBOE TPHs), and (2) extend the program to permit both CBOE TPHs and Non-CBOE TPHs to collect subsidy payments for providing such order routing functionalities to Non-CBOE TPHs.

To read the SEC release, click [here](#).

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