



MARKET DATA NOTICE

DATE: DECEMBER 2, 2024

NOTICE # 2024-027

Proposed Change to Market Data Fees of Cboe Canada Inc. – Simplification of Data Feed Distribution Fees

Pursuant to section 7(a) of Schedule 4 to Cboe Canada Inc.’s (the “**Exchange**” or “**Cboe Canada**”) recognition order, as amended, the Exchange has submitted to the Ontario Securities Commission for approval a fee-related change to the Exchange’s Form 21-101F1 to streamline the manner in which Cboe Canada describes, in the Data Fee Schedule (the “**Fee Schedule**”), certain “distribution” and “access” fees applicable to Cboe Canada’s real-time market data feeds (“**RTMD**”) and thereby simplify the administration of such fees, as well as adjust the resulting new fees (the “**Real-Time Market Data Fee Change**”).¹

Real-Time Market Data Fee Change – Simplification of RTMD Distribution Fees

Proposed Fee Change

We are proposing to simplify the description and administration of the fees that apply to both internal and external distribution of Cboe Canada’s RTMD as follows:

	NEO-L	NEO-N	NEO-D	MATCHNow
Internal Distribution – Level 1	\$500	\$250	\$25	\$500
Internal Distribution – Level 2	\$750	\$500	N/A	N/A
External Distribution – Level 1	\$750	\$500	\$75	\$500
External Distribution – Level 2	\$1,000	\$750	N/A	N/A

The new flat monthly fees shown in the above table will consolidate and replace the following existing fees:

- the per-user monthly distribution fee for RTMD listed in what is currently section 4 of the Fee Schedule under the heading “DISTRIBUTION FEES FOR REAL TIME DATA - LISTED SECURITIES & OTHER TRADED SECURITIES,” which are:

¹ Capitalized words and phrases used but not defined in this notice have the respective meanings given to them in the Cboe Global Markets Global Data Agreement (the “**Data Agreement**”), the North American Data Policies (the “**Data Policies**”), or the rulebook that applies to trading on the Exchange (the “**Trading Policies**”).



	NEO-L	NEO-N	NEO-D
1-500 users	\$500	\$500	Free
501-1000 users	\$725	\$725	Free
1001-5000 users	\$1,050	\$1,050	Free
5001-10,000 users	\$1,400	\$1,400	Free
10,001+ users	\$1,625	\$1,625	Free

- the separate monthly “access” fees listed in what is currently section 5 under the heading “DATA FEED FEES FOR NEO-L, NEO-N & NEO-D DATA ACCESS” (which increase with the number of feeds and the number of physical locations that a Data Recipient maintains), which are:

	LEVEL 1	LEVEL 2
Primary Data Feed	\$225	\$675
Additional Data Feeds	\$135	\$135

- the monthly MATCHNow “access” fee listed in what is currently section 5 under the heading “DATA FEED FEES FOR PUBLIC MATCHNOW DATA ACCESS”,² which is:

	LEVEL 1	LEVEL 2
Direct or Indirect Access (vendor provided)	\$500	N/A

The new simplified data feed distribution fee that will apply to each Data Recipient will depend on the specific Trading Book(s) and (if applicable) the level of the data (i.e., Level 1 or Level 2) selected by the Data Recipient—not unlike the permutations applicable within the existing fee structure today. Furthermore, in accordance with the new fee structure, internal distribution will be included at no extra charge when a Data Recipient selects the higher-priced external distribution option (on a per-product and per-level basis, e.g., external distribution of NEO-L Level 1 RTMD includes internal distribution of NEO-L Level 1 RTMD).

The new simplified distribution fee structure will be reflected in section 4 of the Fee Schedule, as revised, which will include various consequential and clarifying revisions to the explanatory paragraph that appears just above the new fee table, as well as in the corresponding footnotes, and the deletion of what was section 5 entirely.

² The MATCHNow fee is not changing—it is just being moved to a new location within the Fee Schedule for greater clarity. Specifically, the new fee structure includes this separate MATCHNow “access” fee by listing it as a “distribution” fee directly alongside the NEO-L, NEO-N, and NEO-D RTMD distribution fees, without changing the applicable amount of the MATCHNow fee (i.e., it will remain at \$500 per month, which will still cover the primary feed and a backup feed). Similarly, a new column for MATCHNow (with a fee of “Free”) is being added to the table under the heading “DISTRIBUTION FEE FOR NON-REAL TIME CBOE CANADA DATA” in new section 4 for clarity and internal consistency. This also maintains the status quo as compared to the existing Fee Schedule with regard to non-real-time data pertaining to MATCHNow (which may be distributed by Data Recipients to their clients or other third parties at no charge, both under the current Fee Schedule and the revised version).



Expected Date of Implementation

Subject to regulatory approval, we intend to implement this Real-Time Market Data Fee Change on **February 1, 2025**.

Rationale for the Fees and any Relevant Supporting Analysis

The new simplified distribution fee structure will alleviate the administrative burden on Data Recipients, as well as the burden on the Exchange. It will also be more familiar and easier to understand for our customers, insofar as it is in line with the approach taken by the Exchange's global affiliates and, to a large extent, by its Canadian marketplace competitors.

Under the existing Fee Schedule, a Data Recipient must report to Cboe Canada, on a monthly basis, the exact number of users to whom that Data Recipient is distributing the RTMD; this creates an administrative burden, both for the Data Recipient (which has to expend resources monitoring and reporting the number of users who benefit from the RTMD distribution), as well for the Exchange (which must review both Data Recipient monthly reports and reconciled monthly reports by vendors that act as intermediaries for the distribution of RTMD).

In addition, the Exchange currently charges a separate data feed "access" fee, which is based on the number of feed sources and individual physical locations receiving RTMD indirectly via a distributor, and this information must also be reported by a Data Recipient (or its vendor) to Cboe Canada every month. This creates an additional administrative burden for the Data Recipient (or its vendor), and for the Exchange, which must review and reconcile these various monthly reports.

An additional level of complexity is imposed by the current distribution fee structure insofar as it treats "Affiliates" as internal in some circumstances (see, e.g., section 5 of the current Data Schedule, which refers to "access" fees applicable to "data distributors for delivery of Data to the Data Recipient and its Affiliates"), but external in other circumstances (see, e.g., section 4 of the current Data Schedule, which refers to "Affiliates or other external parties"). This classification, which may be causing some customer confusion, is at odds with the more straightforward approach taken by global affiliates of the Exchange, whereby users that are internal to an "Affiliate" of the Data Recipient are treated as "internal" to that Data Recipient for purposes of applying distribution fees. See, for example, the definition of "Controlled Data Distributor" in section 1 of the Data Policies (which expressly allows a Data Recipient to treat employees of its Affiliates as "Internal Subscribers").

By doing away with the need for Data Recipients and their vendors to keep track of, and report to the Exchange, on a monthly basis, the various details relating to the end users and unique physical locations of the RTMD being distributed to, or accessed by, their end users, the new simplified fee structure will directly benefit Data Recipients and their vendors. It will also alleviate the administrative burden on the Exchange that arises from the need to double-check reporting by Data Recipients and their vendors for accuracy and completeness. In addition, the new fee structure will be easier to understand, and it will bring the Exchange's practices into alignment with those of its affiliates around the world, as well as with its competitors in Canada. (See section entitled "Whether the Proposed Fee Change Would Introduce a Fee Model or Feature that Currently Exists



in Other Markets or Jurisdictions” below for details.)

Expected Impact of the Fees on Market Structure, Members and, if Applicable, Investors, Issuers and the Capital Markets

We expect the proposed Real-Time Market Data Fee Change will have no material impact on market structure, members, investors, or the capital markets as a whole, other than increased efficiencies for Members and other third parties that pay the Exchange for the right to distribute or access RTMD.

Expected Impact of the Fees on the Exchange’s Compliance with Ontario Securities Law and on Requirements for Fair Access and Maintenance of Fair and Orderly Markets

We expect the proposed Real-Time Market Data Fee Change will have no material impact on compliance with fair access requirements or fair and orderly markets.

Consultation and Internal Governance Process

The standard process of review and approval by our Executive Committee was followed, and the Regulatory Oversight Committee will receive an update regarding the proposed Real-Time Market Data Fee Change at its next meeting. No external consultations were conducted.

Whether the Proposed Fee Change Would Introduce a Fee Model or Feature that Currently Exists in Other Markets or Jurisdictions

The proposed fee structure is functionally similar to, and competitive with (i.e., we are proposing to offer fees that are generally lower than), the fee structure currently in use by TMX Group Inc. (“**TMX**”) and Nasdaq CXC Limited (“**Nasdaq Canada**”), which respectively charge the following fees for distribution of their RTMD (depending on whether the distribution is internal only, or both external and internal, as the external fee includes the internal fee):

TMX

<i>Exchange (Level)</i>	<i>Internal Distribution Fee</i>	<i>External Distribution Fee</i>
TSX/TSXV (Level 1)	\$1,109	\$3,327
TSX/TSXV (Level 2)	\$1,663	\$3,881
TSX Alpha (Level 1)	\$396	\$1,782
TSX Alpha (Level 2)	\$792	\$3,564

Source: 2024 TMX Datalinx Price List, available at <https://www.tmxinfoservices.com/resource/en/460> (at 2).



Nasdaq Canada

<i>Trading Book (Level)</i>	<i>Internal Distribution Fee</i>	<i>External Distribution Fee</i>
Nasdaq CXC (Level 1)	\$750	\$1,250
Nasdaq CXC (Level 2)	\$1,500	\$2,250
Nasdaq CX2 (Level 1)	\$250	\$500
Nasdaq CX2 (Level 2)	\$750	\$1,500
Nasdaq CXD (Trades Only)	\$150	\$150

Source: Nasdaq CXC, available at <https://www.nasdaq.com/docs/cxc-price-schedule.pdf>; Nasdaq CX2, available at <https://www.nasdaq.com/path-file/14181>; Nasdaq CXD, available at <https://www.nasdaq.com/docs/cxd-price-schedule.pdf>.

For ease of reference, the following table shows an apples-to-apples comparison of the monthly cost that would be incurred by a customer that elects to purchase either (a) internal distribution only or (b) both internal and external distribution of RTMD for all of the respective trading books operated by each of the Exchange, TMX, and Nasdaq Canada, by level of data:

License Type	Cboe Canada (NEO-L, NEO-N, NEO-D, MATCHNow)	TMX (TSX, TSX-V, TSX Alpha)	Nasdaq Canada (CXC, CX2, CXD)
Internal Distribution – Level 1 + Trades	\$1,275	\$1,505	\$1,150
Internal Distribution – Level 2 + Trades	\$1,775	\$2,455	\$2,400
External Distribution – Level 1 + Trades	\$1,825	\$5,109	\$1,900
External Distribution – Level 2 + Trades	\$2,325	\$7,445	\$3,900

Among the four permutations in this scenario, in three cases, the proposed Exchange fee is lower than both of the corresponding fees of our two main competitors (see green shading), and in one case, our proposed fee is within the range created by the corresponding fees of our main competitors (see yellow shading).

Alternatives Considered

None.



Request for Feedback

Feedback on this proposal can be provided in writing and delivered by December 23, 2024 to:

Robert Keller
Assistant General Counsel
Cboe Canada Inc.
Email: cboecanadalegal@cboe.com

Hanna Cho
Senior Legal Counsel
Trading and Markets
Ontario Securities Commission
Email: TradingandMarkets@osc.gov.on.ca