



Cboe Options Regulatory Circular RG19-004
C2 Options Regulatory Circular RG19-004

Date: January 11, 2019

To: Trading Permit Holders

From: Regulatory Division

RE: Annual Supervision-Related Reporting Pursuant to Cboe/C2 Options Rules 4.24 and 9.8

Rule 4.24 Report Due April 1st

Trading Permit Holders (“TPHs”) are reminded that paragraph (g) of Cboe Options and C2 Options Rule 4.24, *Supervision*, requires that each TPH submit to Cboe Options/C2 Options (the “Exchanges”) a written report by April 1st of each year on the TPH’s supervision and compliance effort during the preceding year and on the adequacy of the TPH’s ongoing compliance processes and procedures.

The report shall include, but not be limited to, the information set out in Rule 4.24(g)(2). Please note that Rule 4.24(g)(3) provides that a TPH that specifically includes its options compliance program within an annual compliance review and written report that complies with substantially similar requirements of the Financial Industry Regulatory Authority (“FINRA”) or any other self-regulatory organization will be deemed to have met the requirements of Rule 4.24(g), however, the TPH must still submit a copy of such written report to Cboe Options/C2 Options by April 1st of each year. For additional information, please refer to Rule 4.24, Rule Filing SR-CBOE-2013-126, and Regulatory Circulars RG14-035.

Rule 9.8 Report Due April 1st

TPHs are also reminded that paragraph (g) of Cboe Options/C2 Options Rule 9.8, *Supervision of Accounts*, requires that each TPH organization that conducts a non-TPH customer business submit to the Exchanges a written report by April 1st of each year on the TPH’s supervision and compliance effort during the preceding year and on the adequacy of the TPH organization’s ongoing compliance processes and procedures. Each TPH organization that conducts a public customer options business shall also specifically include its options compliance program in the report.

The report shall include, but not be limited to, the information set out in Rule 9.8(g). Please note that Rule 9.8(g) provides that a TPH organization that specifically includes its options compliance program in a report that complies with substantially similar requirements of FINRA or the New York Stock Exchange (“NYSE”) will be deemed to have met the requirements of Rule 9.8(g) and (h), however, the TPH must still submit a copy of such written report to Cboe Options/C2 Options by April 1st of each year. Rule 9.8(h) requires that each TPH organization submit, by April 1 of each year, a copy of the report that Rule 9.8(g) requires the TPH organization to prepare to its one or more control persons or, if the TPH organization has no control person, to the audit committee of its board of directors or its equivalent committee or group. Please refer to paragraph (h) for the meaning of the term “control person” and requirements in the case of a control person that is an organization. For additional information, please refer to Rule 9.8.

Please note that the requirements of Rules 4.24 and 9.8 differ in some respects. However, a TPH that is

subject to both rules may submit a single report to satisfy the requirements, provided the report contains the information required by each rule.

Submission Method

TPHs should submit the required report(s) to Cboe Options/C2 Options via email to SupervisionReports@cboe.com.

Additional Information

Any questions regarding this Regulatory Circular may be referred to Regulatory Interpretations at RegInterps@cboe.com or 312-786-8141.