



Cboe Options Regulatory Circular RG19-016
C2 Options Regulatory Circular RG19-012

Date: April 16, 2019

To: Trading Permit Holders

From: Regulatory Division

RE: Deletion of Certain Broad-Based Index Reporting Requirements

**Replaces Cboe Options Regulatory Circular RG14-029 and
C2 Options Regulatory Circular RG14-009**

A rule change amending Cboe Options Rule 24.4, *Position Limits for Broad-Based Index Options*, has become effective. As a result of the change, Cboe Options and C2 Options (collectively the “Exchanges”) Trading Permit Holders are no longer required to report certain broad-based index option positions to the Exchanges as described below.¹

Rule Change Filing SR-CBOE-2019-014 deleted Interpretation and Policies .03 and .04 of Cboe Options Rule 24.4. Interpretation and Policy .03 had formerly required, in relevant part, that each TPH (other than Cboe Options Market-Makers) that maintains a broad-based index option position on the same side of the market in excess of 100,000 contracts for OEX, XEO, NDX, RUT, VIX, VXN, VXD, VXST, S&P 500 Dividend Index, SPX, Cboe S&P AM/PM Basis, Cboe S&P 500 Three-Month Realized Variance or Cboe S&P Three-Month Realized Volatility and 1 million contracts for BXM (1/10th value) and DJX, for its own account or for the account of a customer, to report information as to whether the positions are hedged and provide documentation as to how such contracts are hedged, in a manner and form required by the Department of Market Regulation.

Interpretation and Policy .04 had formerly permitted the Exchange to impose additional margin upon an account maintaining an under-hedged position in any of the options products identified under the above former Interpretation and Policy .03 pursuant to its authority under Cboe Options Rule 12.10, *Margin Required is Minimum*. While Interpretation and Policy .04 is deleted, each Exchange still maintains the authority to at any time impose higher margin requirements when it deems such higher margin requirements are advisable pursuant to Cboe Options Rule 12.10.²

TPH’s are reminded that the position reporting requirements contained in Cboe Options Rules 4.13(a) continue to apply to broad-based index options. Per these rules, each shall report to the respective Exchange certain information for any customer who, acting alone, or in concert with others, on the previous business day maintained aggregate long or short positions on the same side of the market of 200 or more contracts of any single class of option contracts dealt in on the Exchange.

¹ See Securities Exchange Act Release No. [85328](#) (March 15, 2019), 84 FR 10558 (March 21, 2019) ([SR-CBOE-2019-014](#)). Cboe Options Rule 24.4 is incorporated by reference into Chapter 24 of the C2 Options Rules.

² Cboe Options Rule 12.10 is incorporated by reference into Chapter 12 of the C2 Options Rules.

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Additional Information

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