



## **Regulatory Circular RG01-111**

**Date: July 18, 2001**

**To: Members**

**From: Stock Selection Committee**

**Re: Member Requests to List an Option Class**

The Securities and Exchange Commission recently approved a CBOE rule filing (SR-CBOE-01-10) that amends CBOE Rule 5.3 to add two new Interpretations and Policies (.08 and .09) concerning procedures for CBOE members to submit written requests to CBOE to list a particular option class, and setting forth the factors CBOE will consider in deciding whether or not to list an option class.

Members who would like to submit a written request that CBOE list a particular option class may do so by either submitting (i) an e-mail through a direct link on CBOE's password protected Member site at CBOE.com (click on the direct link "**Request New Option Class Listings**" under the Direct Links portion of the Member site); or (ii) a written request to the Office of the Secretary, CBOE, 400 S. LaSalle St., Chicago, IL 60605.

**Member Requests to List an Option Class.** New Interpretation and Policy .08 to Rule 5.3 provides that CBOE members may submit to the Secretary of the Exchange a written request that CBOE list a particular option class whether or not the option class is traded on any other exchange or market. The request shall specify the reasons why the member believes CBOE should list the option class. The Stock Selection Committee ("Committee") will make every reasonable effort to consider and make a decision regarding the request at its next meeting and in any event will consider and make a decision regarding the request within 35 days of its receipt. If the Committee denies the request or approves the request subject to conditions or limitations, the Committee will provide the member that submitted the request with a written response setting forth the rationale for its decision within 10 days of making the decision. In the event CBOE determines to list an option class, the allocation of the option class shall be governed by Rule 8.95.

**Factors Relied Upon in Deciding to List an Option Class.** New Interpretation and Policy .09 to Rule 5.3 provides that in deciding whether or not to list an option class, or to place conditions or limitations on such listing, CBOE will consider one or more of the following factors: (i) whether the proposed option class satisfies applicable listing criteria; (ii) processing capacity; (iii) cost to CBOE of listing the option class; (iv) legal or regulatory impediments to listing the option class; (v) the anticipated level of CBOE contract volume and market share in the option class; (vi) member and customer interest in trading the option class; (vii) operational factors; and (viii) other bona fide business considerations. These criteria shall apply to all option classes considered by CBOE for listing, whether based on a member request or otherwise.

Any questions regarding this circular may be addressed to Patrick Sexton at (312) 786-7467.