Regulatory Circular RG09-28

To: Members
From: Trading Operations
Date: February 24, 2009
Re: CBOE Direct 7.2 Enhancements

CBOE is pleased to announce the availability of the following enhancements, which will benefit both order-flow and liquidity providers. No programming changes are required by order-flow providers. However, liquidity providers will have to make changes to read newly-available fields within CBOE auction messages to take advantage of some of the features.

General questions may be directed to Anthony Montesano at 312-786-7365/Montesan@cboe.com or the Help Desk at 866-728-2263/helpdesk@cboe.com. Questions regarding specific message formats and testing may be directed to the API Group at 312-786-7300/api@cboe.com.

- Option-to-Option Ratio Spreads – Complex orders having up to four legs and having a ratio of one-to-three or lower will be eligible for routing to the Complex Order Book (COB), the Complex Order Auction (COA), and the electronic AIM and AON AIM Solicitation crossing mechanisms. IMPORTANT NOTE: CBOE systems will not electronically enforce the one-to-three ratio requirement. Members are advised to ensure that AIM match orders, COA responses and COB trades for such orders are within the permissible ratio.

- "Re-COA" – Orders resting in COB will be eligible to automatically re-auction once they are within two ticks of the displayed strategy quote (comprised of the individual CBOE quotes for the component series).

- NBBO Bid/Ask on COA Message – The NBBO bid/ask (based on the displayed option quotes for each component series) will now be included on the COA message. This additional information is not used within the auction process itself and is provided simply as a convenience to auction participants who may want to respond within the NBBO. Liquidity providers can read this additional information in the extensions fields in the CMI AuctionStruct or in FIX tag 9221. Firms may contact the API Group for specific message formats and to schedule testing.

- Voluntary Identification on Auction Messages (Attributable Orders or "Caller ID") – Order-flow providers will have the option to include Firm identification on orders processed through COA, HAL or SAL auctions. Any or all of the following may be included: (A) executing firm clearing number (tag 76); (B) CORRESPONDENT acronym (tag 109); (C) CMTA number (tag 439). No changes are needed on the order-flow provider side to include the additional identifier(s) on the auction messages. Instead, the firm must simply contact the CBOE Help Desk at helpdesk@cboe.com and specify which information they would like included. Liquidity providers can read this additional information in the extensions fields in the CMI AuctionStruct or in FIX tag 9221. Firms may contact the API Group for specific message formats and to schedule testing.