CBOE
CHICAGO BOARD OPTIONS EXCHANGE

REGULATORY CIRCULAR RG09-116

DATE: October 23, 2009

TO: Members

FROM: Market Quality and Allocation Committee

RE: Bid-Ask Differentials

The SEC recently approved CBOE's rule filing (SR-CBOE-2009-67) which allows CBOE to set the bid/ask differential requirements on a class by class basis, and deletes from CBOE's rules the specific differentials identified in Rule 8.7(b)(iv). CBOE will announce the bid/ask differentials to its members via circular.

Beginning immediately, the bid-ask differentials will be as set forth below. Please note that if a particular option class was granted bid-ask relief through November expiration and the relief is greater than the below bid-ask differentials, the relief granted will continue through November expiration.

	Bid-Ask Differentials
Opening Rotation & Open Outcry Quote Widths	$0.50 if the bid is less than $2 $0.80 where the bid is at least $2 but does not exceed $5 $1.00 where the bid is more than $5 but does not exceed $10 $2.00 where the bid is more than $10 but does not exceed $20, $3.00 where the bid is more than $20 but does not exceed $50, and $5.00 where the bid is more than $50 but does not exceed $100, and $8.00 where the bid is more than $100 but does not exceed $200, and $12.00 where the bid is more than $200
LEAPS: **Opening Rotation & Open Outcry Quote Widths**	Twice the bid-ask differentials listed above (*e.g.*, $1.00 if the bid is less than $2)
UltraShorts: **Opening Rotation & Open Outcry Quote Widths**	$10 wide
Electronic Quotes - Intraday	$5 Wide

The Bid/Ask Subcommittee will continue to accept requests for Bid/Ask relief on a class by class basis.

Any questions regarding CBOE's rule filing, please contact Patrick Sexton at (312) 786-7467, or sexton@cboe.com. Questions regarding bid-ask relief should be directed to the Market Quality Assurance Department at mqa@cboe.com.