



REGULATORY CIRCULAR RG09-145

DATE: December 18, 2009
TO: Membership
FROM: Market Quality and Allocation Committee
RE: Bid-Ask Differentials

This Regulatory Circular updates and replaces RG09-127.

CBOE's rules allow it to set the bid/ask differential requirements on a class by class basis. CBOE will announce the bid/ask differentials to its members via circular, and the current differentials are set forth below.

		1	2	3	4
		All classes excluding LEAPS, UltraShorts & UltraLongs, NDX, SPX, DXL and BRK'B	DXL, NDX, SPX, SPL and LEAPS	UltraShorts and UltraLongs	BRK'B
A	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	2x Column 1 Row A	\$10 wide, unless the bid is more than \$200, in which case the bid-ask differential is \$12 wide.	\$50
	Intraday Electronic Quoting Widths	\$5 where the bid does not exceed \$100 \$8.00 where the bid is more than \$100 but does not exceed \$200, and \$12.00 where the bid is more than \$200	2x Column 1 Row B	\$10 wide, unless the bid is more than \$200, in which case the bid-ask differential is \$12 wide	\$50

The bid-ask differentials do not apply to at-the-money series or in-the-money series where the quote width on the primary market of the underlying security, or the quote width calculated by the Exchange or its agent for various indices, is wider than the differentials set forth above. For these series, the bid/ask differential may be as wide as the quote width on the primary market of the underlying security or calculated by the Exchange or its agent, as applicable. "In-the-money series" are defined as follows: for call options, all strike prices below the offer or last sale in the underlying security (whichever is higher); and for put options, all strike prices above the bid or last sale in the underlying security (whichever is lower).

The Bid/Ask Subcommittee will continue to accept requests for Bid/Ask relief on a class by class basis. Please note that if a particular option class was granted bid-ask relief through December expiration and the relief is greater than the above bid-ask differentials, the relief granted will continue through December expiration. A list of the classes that have been granted relief through December expiration can be found at <https://www.cboe.org/data/bidaskOrg.aspx>. Questions regarding bid-ask relief should be directed to Allison Kile of the Market Quality Assurance Department at 312-786-7198 or at mqa@cboe.com.