CBOE
CHICAGO BOARD OPTIONS EXCHANGE

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Regulatory Circular RG10-10

Date: January 11, 2010

To: Members and Member Organizations

From: Department of Market Regulation

Re: **Changes** in Regulatory Division policy regarding Reporting Requirements for Certain Broad-Based Index Option Positions

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This Regulatory Circular is to inform the Membership that, effective January 11, 2010, the Regulatory Division is **eliminating** the 25,000 contract incremental reporting requirement and **revising** the initial reporting requirement.

Under Chicago Board Options Exchange Rule 24.4, members or member organizations[1] have an initial requirement to report positions if they hold an end of day position in the following broad-based index products that meets either of the following specifications:

- OEX, XEO, NDX, RUT, VIX, VXN, VXD, SPX, CBOE S&P 500 Three-Month Realized Variance, CBOE S&P 500 Three-Month Realized Volatility, S&P 500 Dividend Index and the position equals or exceeds 100,000 contracts per side of the market.
- BXM (1/10th value) and DJX and the position equals or exceeds 1 million contracts per side of the market.

If the position is maintained at or above the reporting thresholds listed above, a subsequent report is required:

- on the Monday following expiration; and
- when any change to the hedge results in the position being either unhedged or only partially hedged.

Reductions below these thresholds do not need to be reported.

What Needs to be Reported

- a description of the position; and
- how the position is hedged, e.g. stock portfolio current market value, other stock index option positions, stock index futures positions, options on stock index futures; and
- for customer accounts, provide the account name, account number and tax ID or social security number.

Where to Report

Index hedge position reports should be submitted to the Department of Market Regulation via email at **IndexReporting@cboe.com**.

Questions

Questions concerning broad-based index options reporting requirements can be directed to Regulatory Services at (312)786-8460.

For information regarding position limits for all other option products, please refer to the Exchange website at http://www.cboe.com/data/positionlimits.aspx or http://www.cboe.org/legal/default.aspx. Questions regarding position limits should be directed to Regulatory Services at (312)786-8460.

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[1] Market Makers are excluded from this reporting requirement.