



Regulatory Circular RG10-12

DATE: January 14, 2010
TO: Members
FROM: Member and Regulatory Services Division
RE: Order Origin Code Requirements

This Regulatory Circular is being issued to remind the membership of the Exchange's rules relating to the requirement to record the appropriate account origin code when accepting orders electronically, via telephone or in-person. Since various rules of trading procedure distinguish between orders of differing origin, the correct code must be recorded on **all** orders at the time of entry to insure proper execution.

Current CBOE Order Origin Codes

- "B"** for the account of a broker/dealer, *including foreign broker/dealers*, even though the account may clear in the customer range at OCC
- "C"**¹ for non-broker/dealer customer account orders
- "F"** for OCC clearing member firm proprietary account orders
- "M"** for member market-maker orders
- "N"** for orders in the account of a market-maker or specialist on another options exchange
- "W"**² for orders for the account of non-broker/dealer customer accounts who (i) place more than 390 orders in listed options per day on average during a calendar month for their own beneficial account(s) pursuant to Exchange Rule 1.1(ggg) (i.e. "Professionals") or (ii) voluntarily have their orders categorized as broker/dealer orders for order handling, order execution and cancel fee calculation purposes pursuant to Exchange Rule 1.1(fff) (i.e. "Voluntary Professionals")
- "Y"** for orders in the account of a specialist registered in the underlying stock at the primary exchange for trading the stock

A quick reference guide for properly marking orders is also attached.

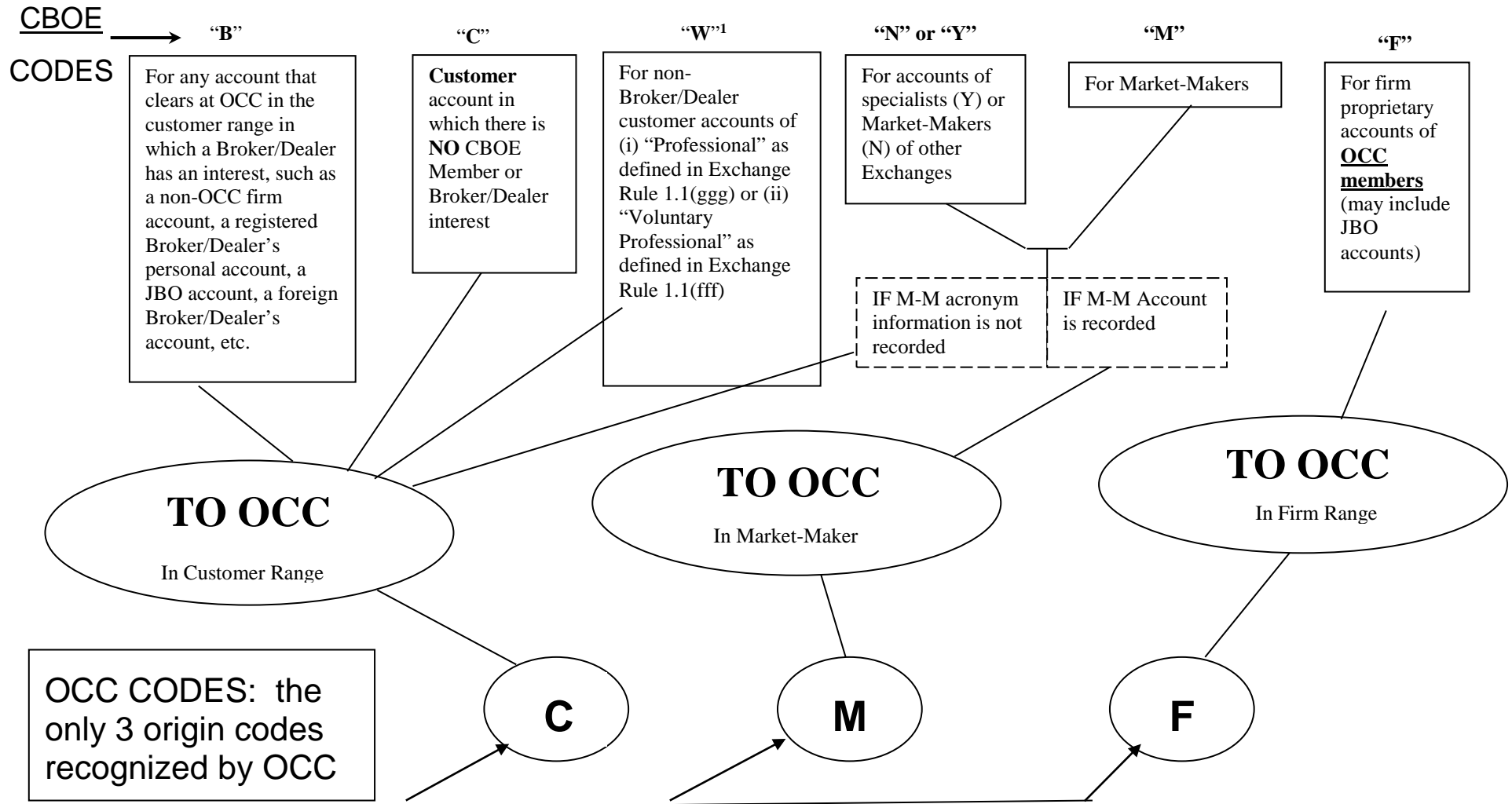
Please be advised that failure to obtain and record the correct account origin may constitute a violation of Exchange Rule 6.51. Clearing members and member organizations should assure that persons receiving orders are instructed to obtain and record the appropriate origin code information. Questions regarding this circular may be directed to the Department of Market Regulation at (312) 786-8460 or (312) 786-7730.

(Regulatory Circular RG08-105, Revised)

¹ For FLEX options, orders and responses for the account of a non-member broker/dealer must be submitted using the origin code "C" (see Regulatory Circular RG07-130).

² This origin code is not available for use in Hybrid 3.0 or FLEX classes.

The following **CBOE** order origin codes clear at OCC in the manner described below.



NOTE: As depicted above, an order for the proprietary account of a Broker/Dealer will clear at OCC in the customer range if the Broker/Dealer is not an OCC member; yet, the CBOE requires the “B” origin code. If the Broker/Dealer is an OCC member, then the proprietary order would be recorded with an “F” code.
 (Contact the Department of Market Regulation @ (312) 786-8460 or (312) 786-7730 regarding any questions)

RG10-12, attachment

¹The “W” origin code is not available for use in Hybrid 3.0 or FLEX classes.