



To: Trading Permit Holders
From: Trading Operations
Date: February 24, 2011
Re: CFLEX Electronic RFQ Timers

Effective February 25, 2011, the CFLEX minimum "Response Period" for electronic RFQs will be reduced from 10 seconds to 3 seconds and the CFLEX maximum "Reaction Period" for electronic RFQs will be reduced from 5 minutes to 3 minutes.

As revised, the CFLEX timer settings for electronic RFQs in all FLEX classes will be as follows:

Electronic RFQ Timers:

- **Response Period (T1):** minimum of 3 seconds, maximum of 5 minutes
T1 is a variable period set by the Submitting Trading Permit Holder ("STPH") that denotes when responses can be entered, modified or canceled, including responses from the STPH.
- **Reaction Period (T2):** maximum of 3 minutes
T2 is a period when the STPH can decide to trade; responses can continue to be entered, modified or cancelled during T2, but no trading will occur until the Submitting TPH ("STPH") determines to accept or reject the RFQ responses. Note that if the STPH enters a response during T2, the STPH must wait a minimum of 3 seconds before entering a contra-side order.
- **Exposure Period (T3):** minimum of 3 seconds
T3 is a period that applies in crossing scenarios; if the STPH enters an order during T2 that improves the BBO or matches the BBO but exceeds the available size, the STPH must wait a minimum of 3 seconds before entering a contra-side order.

For additional information on the CFLEX Settings and Trading Procedures, please refer to Regulatory Circular RG10-22. For further information, please go to www.cboe.com/CFLEX or refer to Chapter XXIVB of the CBOE Rules located at www.cboe.org/Legal. Any questions may also be directed to Lisa Morano at 312-786-7319 or to the CFLEX Helpdesk at 312-460-1941.

(Updates Regulatory Circular RG10-22)