



## Regulatory Circular RG11-150

Date: November 29, 2011

To: Trading Permit Holders

From: Office of the Secretary

Re: Gratuities – Rule 4.4

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This circular addresses CBOE's policy regarding the permissibility of Trading Permit Holders and TPH organizations ("TPHs") giving gratuities to CBOE employees and employees of financial concerns. CBOE's Conflict of Interest Policy restates limitations on gifts that are reflected in CBOE Rule 4.4 ("Rule").

### Gifts and Gratuities to CBOE Employees

In pertinent part, CBOE's Conflict of Interest Policy with respect to CBOE employees provides:

- CBOE employees may not accept any gift (including a gratuity, loan, discount, free service not generally available to the public, or other thing) valued in excess of \$50 (in the aggregate) during any calendar year from any TPH or person associated with a TPH or any person or entity with whom the employee is directly and/or substantially involved in conducting business on behalf of CBOE (collectively, "Related Person"). Gifts do not include business-related meals and entertainment permitted under the Conflict of Interest Policy.
- A gift to the spouse or domestic partner of a CBOE employee from any Related Person shall also be considered a gift to the employee under this policy, with the following exception. If a spouse or domestic partner of a CBOE employee is an employee of a Related Person, any salary or other gift from the Related Person to the spouse or domestic partner shall not be considered a gift to the CBOE employee under this policy.
- If an employee receives gifts from more than one person associated with the same Related Person, these gifts are considered to be from the same Related Person and are aggregated for the purposes of this Policy.
- Regulatory Services Division and Office of Enforcement employees may not accept any gift that has more than a nominal value (such as a coffee mug) from the same Related Person.

There are no exceptions to this restriction, without obtaining prior written consent from the Division Head in charge of the employee's division. In the case of Division Heads, this prior written consent must be obtained from the President; in the case of the President, this prior written consent must be obtained from the Chairman; and in the case of the Chairman, this prior

written consent must be obtained from the General Counsel. **Forms for employees to request approval for a gift from a Related Person in excess of the above limits are available on MYHRDATA or from the Office of the Secretary.**

#### **Gratuities to Employees of Financial Concerns**

Where gratuities from a TPH to an employee of a financial concern (including another TPH or a non-TPH broker, dealer, bank or institution) exceed \$100 in any given calendar year, the donor must obtain the prior consent of the recipient's employer and of CBOE. **Attached is a form that may be used to request prior approval of CBOE for gratuities to an employee of a financial concern in an amount greater than \$100 in any calendar year. (CBOE employees should not use the attached form to request approval for a gift from a Related Person in excess of the above limits, and instead should use the form that is available on MYHRDATA or from the Office of the Secretary.)**

Questions regarding CBOE Rule 4.4 may be directed to Patrick Sexton at 312-786-7467 or [sexton@cboe.com](mailto:sexton@cboe.com), or Jamie Galvan at 312-786-7058 or [galvanj@cboe.com](mailto:galvanj@cboe.com).



**Gratuities to Employees of Financial Concerns  
Form to Request Prior Approval of Gratuities  
Under CBOE Rule 4.4**

This form may be used by Trading Permit Holders to request prior approval of CBOE for gratuities to an employee of a financial concern in an amount greater than \$100 in any calendar year.

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1. Name of Recipient \_\_\_\_\_
  2. Recipient's Employer \_\_\_\_\_
  3. Recipient's Position/Title \_\_\_\_\_
  4. Nature of gratuity \_\_\_\_\_  
\_\_\_\_\_
  5. Dollar value of gratuity \_\_\_\_\_
  6. Total dollar value and nature of other gratuities to recipient during calendar year \_\_\_\_\_  
\_\_\_\_\_
  7. Reason for gratuity \_\_\_\_\_  
\_\_\_\_\_
  8. Person Giving the Gratuity  
Name of TPH: (Print) \_\_\_\_\_ Organization, if any \_\_\_\_\_  
**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_
  9. Consent of Employer: ☐ Granted ☐ Denied  
Name: (print) \_\_\_\_\_ Firm \_\_\_\_\_  
**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_
  10. Consent of Exchange: ☐ Granted ☐ Denied  
(for gifts to employees of financial concerns)  
Name: (print) \_\_\_\_\_  
**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_