



EXECUTE SUCCESSSM

Regulatory Circular RG12-143

Date: October 26, 2012

To: Trading Permit Holders

From: Regulatory Services Division

RE: Rule Change Relating to Position and Exercise Limits for EEM Options

Chicago Board Options Exchange, Incorporated (CBOE) recently amended Rules 4.11 and 4.12 by increasing the position and exercise limits for options on the iShares MSCI Emerging Markets Index Fund (EEM) to 500,000 contracts.

This circular is being issued to make Trading Permit Holders (TPHs) aware that while CBOE's rules are operative, under the position and exercise limit rules of some other option exchanges and FINRA, the position and exercise limits for EEM options remain at 250,000 contracts. **CBOE TPHs are cautioned that if they are members of FINRA, or of another exchange that still has the 250,000 contract limit for EEM options, they may need to continue to adhere to that limit until such time that all self regulatory organizations of which they are a member have amended their rules.**

Position Reporting Requirements

The position reporting requirements of CBOE Rule 4.13 will continue to apply to EEM options.

Per Rule 4.13(a), each TPH shall report to CBOE, the name, address, and social security or tax identification number of any customer who, acting alone, or in concert with others, on the previous business day maintained aggregate long or short positions on the same side of the market of **200** or more contracts of any single class of option contracts dealt in on CBOE. The report shall indicate for each such class of options, the number of option contracts comprising each such position and, in the case of short positions, whether covered or uncovered.

Per Rule 4.13(b) each TPH (other than a CBOE market-maker or DPM) that maintains a position in excess of **10,000** non-FLEX equity option contracts on the same side of the market on behalf of its own account or for the account of a customer, shall report information as to whether such positions are hedged, and provide documentation as to how such contracts are hedged.

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Questions regarding this Regulatory Circular should be directed CBOE's Regulatory Interpretations and Guidance team at (312) 786-8141 or reginterps@cboe.com.