CBOE EXECUTE SUCCESS℠

Regulatory Circular RG13-014

Date: January 23, 2013

To: Trading Permit Holders
From: Business Development Division
RE: Market-Maker Orders Permitted To Rest In the Complex Order Book (COB)

Beginning February 1, 2013, CBOE will permit the Complex Order Book (COB) to accept resting orders for the accounts of CBOE TPH Market-Makers (origin code ”M”) and non-CBOE TPH Market-Makers (origin code ”N,” *i.e.*, market-makers or specialists on another options exchange) in all classes other than VIX, SPX, SPXQ, SPXW. Previously, M and N orders were not permitted to rest in COB. Instead, M and N orders were only permitted to participate in the opening process, requiring an “OPG” (on the Open only) contingency, or trade intra-day against resting COB orders, requiring an “IOC” (Immediate-Or-Cancel) contingency.

This functionality will be rolled out to one trade server, also referred to as a “Business Cluster” (BC), effective February 1, 2013 and to all remaining BCs effective February 4, 2013. Please contact the CBOE Help Desk for additional information on the particular BC rollout schedule and list of classes traded on each BC.

In SPX and SPXQ, non-customer orders are not permitted to rest in the COB. Such orders must contain an “OPG” or “IOC” contingency to participate in the opening process or trade intra-day against resting COB orders. Such orders that are entered without an “OPG” or “IOC” contingency will continue to be systematically blocked from the COB and will be automatically routed for manual handling.

IMPORTANT: In VIX and SPXW complex orders with origin code M or N, although not permitted to rest in the COB, will not be systematically blocked from resting in the COB. Accordingly, TPHs must enter M and N orders with an “OPG” or “IOC” contingency or route them directly to PAR to comply with the requirement to not rest such orders in COB.

Additional Information:

For a description of the current order origin codes, please refer to Regulatory Circulars RG12-057 and RG12-153. Please contact the CBOE Help Desk at helpdesk@cboe.com or (866) 728-2263 for additional information.