

## Regulatory Circular RG13-091

**Date:** June 21, 2013

**To:** Trading Permit Holders

**From:** Regulatory Services Division  
Registration Services Department

**RE:** Rule 24A.15 Letter of Guarantee or Authorization  
Rule 24B.13 Letter of Guarantee or Authorization

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A Trading Permit Holder who wishes to trade FLEX options must complete a FLEX Options Trader Application. The FLEX Options Trader Application for Qualified Market-Maker, Floor Broker or Order Entry Firm is available in the CBOE Trading Permit Holder Forms Library webpage at: [www.cboe.org/members/generalinfo/memberforms.aspx](http://www.cboe.org/members/generalinfo/memberforms.aspx) (under “CFLEX FORMS”). The forms can also be accessed via the CFLEX webpage at [www.cboe.com/cflex](http://www.cboe.com/cflex) (under “CFLEX User Documentation”). Completed forms must be submitted to the Registration Services Department at 400 S. LaSalle Street, Chicago, IL 60605, by email to [registration@cboe.com](mailto:registration@cboe.com) or by fax to (312) 786-8140.

Exchange Rule 24A.15 and 24B.13 provide that no Market-Maker or Floor Broker shall effect any transaction in FLEX options unless one or more effective Letter(s) of Guarantee (for Market-Makers) or Letter of Authorization (for Floor Brokers) has been issued by a Clearing Trading Permit Holder and filed with the Exchange accepting financial responsibility for all FLEX transactions made by the FLEX Market-Maker or specifically accepting responsibility for the clearance of FLEX Option transactions of the Floor Broker.

It may be considered a violation of Exchange Rule 24A.15 and/or 24B.13 if a Market-Maker or Floor Broker effects FLEX transactions prior to the processing of all required documents by the Exchange.

Trading Permit Holders wishing to trade FLEX Options electronically may request new login(s) for electronic access by completing a CFLEX Login Request Form. In addition, each Trading Permit Holder wishing to access the electronic system using the CFLEX 2.0 internet-based application may request a web access by completing a CFLEX Web Access Request Form.<sup>1</sup>

### Additional Information:

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<sup>1</sup> Please note that the SEC indicated that a broker-dealer relying on risk management technology developed by third parties should perform appropriate due diligence to help assure the controls are reasonably designed, effective, and otherwise consistent with Rule 15c3-5 under the Securities Exchange Act of 1934. Mere reliance on representations of the third party technology developer – even if an exchange or other regulated entity – is insufficient to meet this due diligence standard.



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Please contact the Registration Services Department at [registration@cboe.com](mailto:registration@cboe.com) or (312) 786-7449 or Regulatory Interpretations and Guidance at [reginterps@cboe.com](mailto:reginterps@cboe.com) or (312) 786-8141 for additional information. You may also reach the CFLEX Helpdesk at [flex@cboe.com](mailto:flex@cboe.com) or (312) 460-1941.