

Regulatory Circular RG13-106

Date: July 31, 2013

To: Trading Permit Holders

From: Department of Market Regulation

RE: **Effective Date Regarding CBOE Stock Exchange ("CBSX") Rule 53.8 (Best Execution and Interpositioning)**

Overview

On May 2, 2013, The Securities and Exchange Commission approved the Exchange's rule filing which implemented CBOE Stock Exchange ("CBSX") Rule 53.8 (Best Execution and Interpositioning). **The effective date of this rule is September 3, 2013.**

CBSX Rule 53.8 codifies specific requirements that are applicable to Trading Permit Holders' ("TPH") obligations as they relate to the handling of customer orders, including best execution and interposition requirements. Generally, the rule requires that any transaction for or with a customer, or customer of another broker-dealer, that a TPH and persons associated with a TPH shall use "reasonable diligence" to ascertain the best market for a security and to buy or sell in such market, so that the resulting price provided to the customer is as favorable as possible under the prevailing market conditions. In addition, the rule identifies a number of other requirements that are associated with a TPH's obligations in handling customer orders.

For more information, please see the full text of the rule on the CBOE website at: <http://www.cboe.com/publish/RuleFilingsSEC/SR-CBOE-2013-027.pdf>.

Contact Information

TPHs that have any questions on this circular may contact CBOE Regulatory Interpretations and Guidance at (312) 786-8141 or email RegInterps@cboe.com.