

Regulatory Circular RG13-153

Date: November 29, 2013

To: Trading Permit Holders

From: Regulatory Services Division

RE: Market-Maker Joint Account Trading in Open Outcry

This circular is being issued to remind Trading Permit Holders of certain requirements for Market-Maker joint account activity in open outcry under CBOE Rules 6.55, *Multiple Representation Prohibited*, and 8.9, *Securities Accounts and Orders of Market-Makers* including requirements for completing order/trade tickets (whether in electronic or paper format) for joint account transactions.

Joint Account Activity

Under Rule 6.55.02, the following procedures apply to the simultaneous presence in a trading crowd of participants in and orders for the same Market-Maker joint account:

- Joint accounts may be simultaneously represented in a trading crowd by participants trading in-person for the joint account.
- Joint account participants who are not trading in-person in a trading crowd may enter orders for the joint account with Floor Brokers even if other participants are trading the same joint account in-person.
- When series are simultaneously opened during rotation, joint account participants trading the joint account in-person may enter orders for the joint account with Floor Brokers in series where they are unable to trade the joint account in-person.
- There is no restriction on the number of joint account participants that may participate on behalf of the joint account on the same trade.
- When joint account participants are trading in-person in a trading crowd for their individual account or as a Floor Broker, another participant of the joint account may trade for the joint account in-person or enter orders for the joint account with Floor Brokers.
- Individual Market-Makers are prohibited from entering orders with Floor Brokers for their individual or joint accounts while they are trading in-person in a trading crowd even if the orders are for an account they are not then actively trading. For applicable exceptions, refer to Rule 6.55.01.

- Trading Permit Holders must ensure that they do not trade in-person or by orders such that (i) a trade occurs between a joint account participant's individual market-maker account and the joint account of which he or she is a participant, or (ii) a trade occurs in which the buyer and seller are representing the same joint account and are on opposite sides of a transaction. It is the responsibility of a joint account participant to ascertain whether joint account orders have been entered in a crowd prior to trading the joint account in-person.
- Joint account participants may not act as a Floor Broker for the joint account of which they are a participant.
- Trading Permit Holders may alternate trading in-person for their individual account and their joint account while in a trading crowd.
- When completing an order/trade ticket for Market-Maker joint account transactions, it must contain such information as may be required by the Exchange under Rule 6.51(d) and such other information as may be required by the Exchange under Rule 6.51(d)(m).

Individual and Joint Account Identification

In addition to the information required by Rule 6.51(d), a transaction for a Market-Maker account must also be identified with the applicable individual or joint account acronym. Thus, the Market-Maker account acronym must be recorded on the order/trade ticket.

For electronic format order/trade tickets, please refer to the table below for the fields/tags that are to be used to designate the individual or joint account acronym. To the extent that an initiating/originating Market-Maker acronym or sub-account information is optionally inputted into an electronic format order/trade ticket, the table below identifies the fields/tags that are to be used for that information as well.

[illegible]

Under Rule 8.9.03, for purposes of evaluating Market-Maker performance in accordance with CBOE Rule 8.7.03 (which pertains to trading in appointed classes and, for Hybrid 3.0 classes only, in-person requirements), trading activity in the joint account shall be credited to the Market-Maker either individually or collectively with the Market-Makers of the same member organization.

Additional Information

For additional information, please refer to CBOE Rules 6.55 and 8.9 (as well as Rules 6.51 and 8.7), which are available at www.cboe.org/legal. Further questions may be directed to the Regulatory Interpretations and Guidance team at reginterps@cboe.com or (312) 786-8141.

(Regulatory Circular RG10-46, reissued with updated information on account identification fields/tags)