

## CBOE Regulatory Circular RG14-004 CFE Regulatory Circular RG14-001

**Date:** January 10, 2014

**To:** CBOE Trading Permit Holders and CFE Trading Privilege Holders

**From:** Research and Product Development Department  
Regulatory Services Division

**Re:** Strategy Order Cut-Off Time for All Options Used to Calculate Volatility Indexes

CBOE recently amended CBOE Rules 6.2B.01 and 6.2B.08 to provide that on the expiration / final settlement date for volatility index options and (security) futures, modified Hybrid Opening System (HOSS) opening procedures will be utilized for all CBOE option series that are used to calculate volatility indexes. Previously, the modified HOSS opening procedures were only utilized for standard S&P 500 index options used to calculate the CBOE Volatility Index (VIX). Beginning with the January 22, 2014 volatility index expiration and going forward, modified HOSS opening procedures (including the below mentioned 8:15 a.m. (Chicago time) cut-off time for strategy orders) will be utilized for all constituent option series used to calculate volatility indexes on the expiration / final settlement date for the applicable volatility index options and (security) futures.

Pursuant to Rules 6.2B.01 and 6.2B.08, the applicable cut-off time for the entry of strategy orders in all constituent option series used to calculate a volatility index exercise / final settlement value on volatility index derivative expiration / final settlement days is **8:15 a.m.** (Chicago time). A strategy order is an order related to positions in, or a trading strategy involving, volatility index options or (security) futures.<sup>1</sup>

### Additional Information:

For a more comprehensive description of the modified HOSS opening procedures, CBOE and CFE TPHs should review the information provided at: [http://cfe.cboe.com/Products/Settlement\\_VIX.aspx](http://cfe.cboe.com/Products/Settlement_VIX.aspx). Please contact the Regulatory Interpretations and Guidance Team at [reginterps@cboe.com](mailto:reginterps@cboe.com) or (312) 786-8141 with any questions concerning this circular.

(Replaces CBOE Regulatory Circular RG13-147 and CFE Regulatory Circular CFERG13-035)

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<sup>1</sup> See CBOE Rules 6.2B.01(c) and 6.2B.08(c) for characteristics of strategy orders.