

**Regulatory Circular RG14-018****Date: February 13, 2014****To:** Trading Permit Holders**From:** Business Development and Trading Systems Development Divisions**RE:** Introduction of Extended Trading Hours (ETH) for SPX, SPXW, SPXQ, SPXPM and VIX options

In the 3<sup>rd</sup> Quarter of 2014, CBOE intends to introduce Extended Trading Hours (ETH) for options on the S&P 500 Index complex (SPX, SPXW, SPXQ, SPXPM) and on the CBOE S&P 500 Volatility Index (VIX), contingent upon completion of systems enhancements and Securities and Exchange Commission (SEC) approval of requisite rules.

The following is a summary of the prime aspects of the ETH initiative:

- The ETH session will be all-electronic and will use CBOE Command Technology.
- The ETH session will be on a segregated platform from the regular trading session, requiring separate hardware, access permits/logins and connectivity. There will be no order book interaction between the two sessions (i.e. orders and/or quotes placed in one will not carry over to the other) and connections currently in place for regular trading hours will not allow access to the ETH session.
- ETH session hours will be 3:30pm to 4:15pm CST and 2:00am to 8:15 CST Monday through Friday. There will not be a 3:30pm to 4:15pm trading period on Fridays.
- The commencement of the ETH session will constitute the next trading day, and any transactions executed during ETH will be considered as part of the next trading day.
- All series and expirations available during regular trading hours will be available in ETH, although the next trading day's series list (i.e. the product download) will be published each day following the 3:30pm to 4:15pm trading period.
- The Automated Improvement Mechanism (AIM), Complex Order Book (COB) and Complex Order Auction (COA) will be active during ETH.
- ETH session contracts will be fully fungible with existing contracts and will continue to be cleared by the Options Clearing Corporation (OCC).
- The ETH session will disseminate market data through the Options Price Reporting Authority (OPRA).
- The ETH session will offer two types of access – ETH Electronic Access Permits (for orders only) and ETH Market Maker Permits (quotes and orders).

All ETH matters will be subject to SEC jurisdiction and governed by CBOE rules. An FAQ and additional information, such as market model, matching algorithm, market maker quoting obligations, fee schedules, etc. will be announced in forthcoming circulars. Please direct any questions regarding this initiative to Eric Frait, Vice President Business Analysis, at (312) 786-7747 or [frait@cboe.com](mailto:frait@cboe.com) or to Mike Trees, Vice President Trading Systems Development, at (312) 786-8408 or [treesm@cboe.com](mailto:treesm@cboe.com).