Regulatory Circular RG14-103

Date: **June 27, 2014**

To: Trading Permit Holders
From: CBOE Help Desk
RE: Bid-Ask Differentials

This Regulatory Circular replaces RG14-089

CBOE's rules allow it to set the bid-ask differential requirements on a class-by-class basis. Effective July 1, 2014, the bid-ask differentials for opening quotes in class ICPT will be the same as the bid-ask differentials in effect for intra-day quotes in that class. Further, the intra-day bid-ask differentials for class ICPT will be widened to match those for classes EEM, NDX and RUT.

The current differentials for all option classes are set forth on page 2 of this Regulatory Circular.

Requests for bid-ask relief on a class-by-class basis should be directed to the CBOE Help Desk and include an explanation as to why bid-ask relief is needed.

		1	2	3	4	5
		All classes excluding LEAPS, EEM, NDX, PCLN, RUT, SPX, SPXPM, UltraShorts & UltraLongs, Direxion 3x, Direxionshares 3x	**LEAPS, PCLN, SPX and SPXPM**	**UltraShorts, UltraLongs, Direxion 3x, Direxionshares 3x**	**Short Sale Circuit Breaker in Effect[1]**	**EEM, ICPT, NDX, RUT**
A	**Opening Rotation & Open Outcry Quote Widths**	$0.50 if the bid is less than $2,	2x Row A Column 1	$10 wide, unless the bid is more than $200, in which case the bid-ask differential is $12 wide.	3x Row A Column 1, 2,3 or 5 as applicable	2x Row B, Column 1
		$0.80 where the bid is at least $2 but does not exceed $5,				
		$1.00 where the bid is more than $5 but does not exceed $10,				
		$2.00 where the bid is more than $10 but does not exceed $20				
		$3.00 where the bid is more than $20 but does not exceed $50,				
		$5.00 where the bid is more than $50 but does not exceed $100,				
		$8.00 where the bid is more than $100 but does not exceed $200, and				
		$12.00 where the bid is more than $200				
B	**Intraday Electronic Quoting Widths**	$5 where the bid does not exceed $100,	2x Row B, Column 1	$10 wide, unless the bid is more than $200, in which case the bid-ask differential is $12 wide	3x Row A Column 1,2,3 or 5 as applicable	2x Row B, Column 1
		$8.00 where the bid is more than $100 but does not exceed $200, and				
		$12.00 where the bid is more than $200				

The bid-ask differentials do not apply to at-the-money or in-the-money series where the quote width on the primary market of the underlying security, or the quote width calculated by the Exchange or its agent for various indices, is wider than the differentials set forth above. For these series, the bid-ask differential may be as wide as the quote width on the primary market of the underlying security or calculated by the Exchange or its agent, as applicable. "In-the-money series" are defined as follows: for call options, all strike prices below the offer or last sale in the underlying security (whichever is higher); and for put options, all strike prices above the bid or last sale in the underlying security (whichever is lower).

Additional Information:
Please contact John Haffner at Haffner@cboe.com or Jim Corsey at corseyj@cboe.com or (800) 405-3277 at the CBOE Help Desk for additional information regarding bid-ask relief.