

Regulatory Circular RG14-117

Date: July 23, 2014

To: Trading Permit Holders

From: CBOE Help Desk

RE: Bid-Ask Differentials

This Regulatory Circular replaces RG14-103

CBOE's rules allow it to set the bid-ask differential requirements on a class-by-class basis. CBOE will announce the bid-ask differentials via Regulatory Circular. Except as provided below and as set forth in other Regulatory Circulars, 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. Requests must include an explanation as to why bid-ask relief is needed. Please note that if a particular option class was granted bid-ask relief through an expiration period and the relief is greater than the below bid-ask differentials, the relief granted will continue through the expiration period.

Additionally, due to the volatility in the underlying stocks and other factors affecting both the options and the underlying, CBOE by its authority under the provisions of Exchange Rules 8.7(b)(iv) and 8.7(d), has temporarily established modified bid-ask differentials in the options series of the following option class(es).^{*} This relief is granted from the opening of business on July 24, 2014 through August 15, 2014 unless withdrawn by the CBOE prior to that time.

	Class	Relief for near-term options	Relief for LEAP options	Name	DPM
1	PBYI	\$20.00 wide	N/A	Puma Biotechnology, Inc.	Susquehanna

^{}Relief granted is \$20.00 wide bid-ask differential for opening rotation, open outcry, and intraday electronic quoting widths. Quote minimum size is reduced from ten (10) contracts to one (1) contract.*

CBOE granted this relief with the contingency that the disseminated markets in these classes will be competitive and in many instances will be narrower than the relief granted below. CBOE will continue to monitor the activity in the underlying securities of these options, and will modify the bid-ask differentials in the respective options accordingly.

		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.