

Regulatory Circular RG14-142

Date: October 9, 2014

To: Trading Permit Holders

From: Regulatory Services Division

RE: Changes to Market-Maker Continuous Quoting Requirements

Chicago Board Options Exchange, Incorporated (the “Exchange”) recently proposed to amend Exchange rules 1.1(ccc), 8.7, 8.13, 8.15A, and 8.85 to provide that:

- the continuous electronic quoting obligation for Market-Makers will be applied collectively across all classes in which the Market-Maker has appointments (with respect to each Market-Maker type as the Market-Maker is approved to act), rather than on a class-by-class basis; and
- the Exchange will determine compliance by Market-Makers with continuous electronic quoting obligations on a monthly basis. Determining compliance on a monthly basis does not relieve Market-Makers from meeting the continuous quoting obligation on a daily basis, nor does it prohibit the Exchange from taking disciplinary action against Market-Makers for failing to meet any of these requirements each trading day.

The Exchange will continue to provide to Market-Makers daily reports to enable them to monitor their compliance with their quoting obligations.

The implementation date for the above rule changes is November 3, 2014.

Additional Information:

Please see rule filing SR-CBOE-2014-059 or contact the Regulatory Interpretations and Guidance team at RegInterps@cboe.com or (312) 786-8141 for additional information.