

Regulatory Circular RG15-036

Date: March 03, 2015

To: Trading Permit Holders

From: Market Operations

RE: Bid-Ask Differentials and Minimum Quote Size

This Regulatory Circular replaces RG15-020

Chicago Board Options Exchange, Inc. ("CBOE" or the "Exchange") rules allow it to set the bid-ask differential requirements on a class-by-class basis. Effective March 6, 2015, the bid-ask differentials for Electronic and Open Outcry quotes are as provided below.

Maximum Bid-Ask Differentials for Electronic Quotes (Intraday and Opening Rotation)

Quote Bid	Maximum Differential (All Classes)
0.00 - 100.00	\$10.00
100.01 - 200.00	\$16.00
Greater than 200.00	\$24.00

Maximum Bid-Ask Differentials for Open Outcry Quotes

Group A: All Classes, except those in Group B

Group B: LEAPS, NDX, RUT, SPX, SPXPM, ICPT, PCLN, UltraShorts, UltraLongs, Direxion3x and Direxionshares3x.

Quote Bid	Maximum Differential	
	Group A	Group B
0.00 - 1.99	0.50	1.00
2.00 - 5.00	0.80	1.60
5.01 - 10.00	1.00	2.00
10.01 - 20.00	2.00	4.00
20.01 - 50.00	3.00	6.00
50.01 - 100.00	5.00	10.00
100.01 - 200.00	8.00	16.00
Greater than 200.00	12.00	24.00

Pursuant to the obvious error provisions of Rule 6.25, if there are no quotes for comparison, or if the bid/ask differential of the NBBO just prior to the transaction being evaluated was at least two times the Open Outcry differential defined above, designated Trading Officials will determine the Theoretical Price.

The bid-ask differentials do not apply to at-the-money or in-the-money series¹ 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.

Minimum Quote Size

The minimum quote size for all opening and intra-day bids and offers will remain set at one (1).

Additional Information:

Please contact the CBOE Help Desk at (800)405-3277 or helpdesk@cboe.com for additional information regarding bid-ask relief or minimum quote size.

Questions regarding regulatory matters related to this circular may be directed to the Regulatory Interpretations and Guidance team at (312) 786-8141 or reginterps@cboe.com.

¹ "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).