



Regulatory Circular RG16-117

Date: June 29, 2016
To: Trading Permit Holders
From: Business Development Division
RE: CBOE Auction Message Response and Redistribution

Updates Regulatory Circulars RG12-152 and RG16-048

Effective July 1, 2016, the Chicago Board Options Exchange, Incorporated (the “Exchange” or “CBOE”) will permit Trading Permit Holder (TPH) auction message response and redistribution as described below.

Pursuant to CBOE Rule 6.53C, the Exchange will permit Complex Order Auction (COA) responses from all TPHs, and allow TPHs to redistribute COA messages to, and accept and forward responses from, their clients in all classes in which COA is activated other than SPX/SPXW and VIX. In SPX/SPXW and VIX, the Exchange will continue to permit COA responses only from CBOE Market-Makers with an appointment in the relevant class and from TPHs acting as agent for orders resting at the top of the Complex Order Book (COB) in the relevant series opposite the order being auctioned. Additionally, redistribution of COA messages in SPX/SPXW and VIX will continue to be prohibited. Please note these parameters for SPX/SPXW and VIX are applicable only during Regular Trading Hours (RTH). During Extended Trading Hours (ETH), COA responses are permitted from all TPHs, and TPHs are allowed to redistribute COA messages to, and accept and forward responses from, their clients in all classes, including SPX/SPXW and VIX. (See Regulatory Circulars RG15-029 and RG15-131.)

Pursuant to CBOE Rule 6.14A, the Exchange will continue to permit HAL responses from all TPHs in all classes in which HAL is activated in both the ETH and RTH sessions. TPHs are further allowed to redistribute HAL messages to, and accept and forward responses from, their clients in all classes in which HAL is activated in both the ETH and RTH sessions.

The permitted message responses and redistribution for the Automated Improvement Mechanism (AIM) and Simple Auction Liaison (SAL) will remain unchanged. In all classes in which AIM and SAL are activated, the Exchange will continue to permit, in both the ETH and RTH sessions, AIM and SAL responses only from CBOE Market-Makers with an appointment in the relevant class and from TPHs acting as agent for orders resting at the top of the book in the relevant series opposite the order being auctioned. Additionally, redistribution of AIM and SAL messages in all classes in which AIM and SAL are activated will continue to be prohibited in both the ETH and RTH sessions.

Please also note that, consistent with Exchange rules, attempts to interact with any CBOE auction must be sent in the form of an AUCTION RESPONSE message. (See Regulatory Circular RG12-081.)

Additional Information:

For additional information regarding operational matters, please contact the CBOE Help Desk at helpdesk@cboe.com or 866-728-2263.