

Regulatory Circular RG16-151

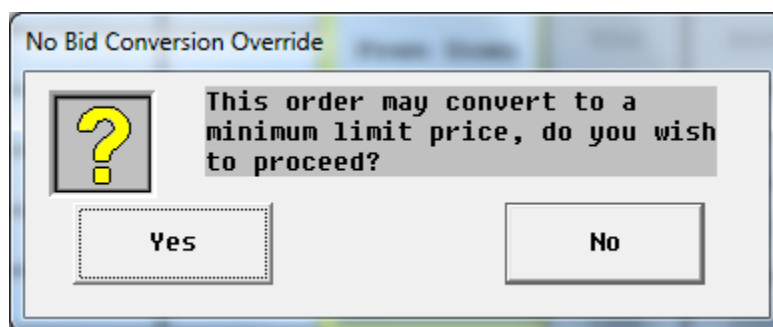
Date: September 13, 2016
To: Trading Permit Holders
From: Business Development Division
RE: Booking of MKT- Sell Orders in No-Bid Series - Update

Updates Regulatory Circular RG16-092

Pursuant to Rule 6.13(b)(vi), the CBOE Hybrid System automatically converts a MKT Sell order in a series to a limit order priced at the minimum trading increment applicable to the series when the national best bid in the series is zero and the Exchange's best offer is \$0.50 or less. If the national best bid in the series is zero and the Exchange's best offer in the series is greater than \$0.50, a MKT order to Sell will currently route to PAR for manual handling.

As of September 12, 2016, CBOE has completed rollout of an enhancement, pursuant to SR-CBOE-2014-067 and SR-CBOE-2015-069, that allows orders that route to PAR because the national best bid in a series is zero and the Exchange's best offer in the series is greater than \$0.50 to be manually booked by the PAR operator, thereby converting the order to a limit order at the minimum trading increment applicable to the series.

PAR functionality has been updated to accommodate the system modification and to provide protection/alerts to PAR operators when booking such orders. PAR operators will receive the following warning when choosing to book a sell market order in this condition:



Please note: The new functionality will not work with the Book All button on PAR. Rather, if the PAR operator wishes to book a sell MKT order when the bid is zero and the offer is greater than \$0.50, the order must be booked individually.

Additional Information:

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