

**CBOE Regulatory Circular RG17-022
C2 Regulatory Circular RG17-008**

Date: February 15, 2017

To: CBOE and C2 Trading Permit Holders

From: Regulatory Division

RE: Annual Supervision-Related Reporting Pursuant to CBOE/C2 Rules 4.24 and 9.8

Rule 4.24 Report Due April 3rd:

Trading Permit Holders (“TPHs”) are reminded that paragraph (g) of CBOE/C2 Rule 4.24, *Supervision*,¹ requires that each TPH submit to CBOE/C2 (the “Exchanges”) a written report by April 1st of each year on the TPH’s supervision and compliance effort during the preceding year and on the adequacy of the TPH’s ongoing compliance processes and procedures. Please note, because April 1, 2017 falls on a Saturday, the Rule 4.24 report for calendar year 2016 will be due April 3rd.

The report shall include, but not be limited to, the information set out in Rule 4.24(g)(2). Please note that Rule 4.24(g)(3) provides that a TPH that specifically includes its options compliance program within an annual compliance review and written report that complies with substantially similar requirements of the Financial Industry Regulatory Authority (“FINRA”) or any other self-regulatory organization will be deemed to have met the requirements of Rule 4.24(g), however, the TPH must still submit a copy of such written report to CBOE/C2 by April 1st of each year (or April 3, 2017 for the 2016 report). For additional information, please refer to Rule 4.24, Rule Filing SR-CBOE-2013-126, and Regulatory Circulars RG14-035 and RG14-138.

Rule 9.8 Report Due April 3:

TPHs are also reminded that paragraph (g) of CBOE/C2 Rule 9.8, *Supervision of Accounts*,² requires that each TPH organization that conducts a non-TPH customer business submit to CBOE/C2 a written report by April 1 of each year on the TPH’s supervision and compliance effort during the preceding year and on the adequacy of the TPH organization’s ongoing compliance processes and procedures. Each TPH organization that conducts a public customer options business shall also specifically include its options compliance program in the report. As noted above, because April 1, 2017 falls on a Saturday, the Rule 9.8 report for calendar year 2016 will be due April 3.

The report shall include, but not be limited to, the information set out in Rule 9.8(g). Please note that Rule 9.8(g) provides that a TPH organization that specifically includes its options compliance program in a report that complies with substantially similar requirements of FINRA or the New York Stock Exchange (“NYSE”) will be deemed to have met the requirements of Rule 9.8(g) and (h), however, the TPH must still submit a copy of such written report to CBOE/C2 by April 1st of each year (or April 3, 2017 for the 2016 report). Rule 9.8(h) requires that each TPH organization submit, by April 1 of each year (or April 3, 2017 for the 2016 report), a copy of the report that Rule 9.8(g) requires the TPH organization to prepare to its one or more control persons or, if the TPH organization has no control person, to the audit committee of its board of directors or its equivalent committee or group. Please refer to paragraph (h) for the meaning of the term “control person” and requirements in the case of a control person that is an organization. For additional information, please refer to Rule 9.8.

¹ CBOE Rule 4.24 is incorporated into Chapter 4 of the C2 Rules.

² CBOE Rule 9.8 is incorporated into Chapter 9 of the C2 Rules.

Please note that the requirements of Rules 4.24 and 9.8 differ in some respects. However, a TPH that is subject to both rules may submit a single report to satisfy the requirements, provided the report contains the information required by each rule.

Submission Method:

TPHs should submit the required report(s) to CBOE/C2 via email to SupervisionReports@cboe.com.³

Additional Information:

Questions concerning this Regulatory Circular can be directed to the Regulatory Interpretations team at (312) 786-8141 or RegInterps@cboe.com.

³ As previously announced via Regulatory Circular, CBOE and C2 have an agreement with FINRA under which FINRA performs certain regulatory services on behalf of the Exchanges. In connection with the regulatory services program, and as also previously announced, the submission of various regulatory filings by CBOE and C2 TPHs have transitioned to the electronic filing platform available via FINRA's Firm Gateway. FINRA's Firm Gateway (<https://firms.finra.org>) is a portal that provides consolidated access to various FINRA regulatory systems. (See CBOE Regulatory Circular RG15-084 / C2 Regulatory Circular RG15-023.) In the future, certain filings associated with Rules 4.24 and 9.8 *may* be transitioned to FINRA's Firm Gateway. If that would occur, CBOE and C2 would first issue a circular advising TPHs when FINRA's Firm Gateway would be required for any Rule 4.24- and 9.8-related filings. However, until such time, please continue to use the SupervisionReports@cboe.com email address to file the reports referenced in this circular.