



LaSalle at Van Buren
Chicago, Illinois 60605
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Regulatory Circular RG98-143

Date: December 16, 1998
To: All Members and Member Organizations
From: Market Operations Department
Re: Rule 2.30, Fee for Delayed Submission of Trade Information

The proposed changes to Rule 2.30, as reviewed in Regulatory Circulars RG98-31, RG98-55 and RG98-107, have been approved by the Securities and Exchange Commission ("SEC"). These changes include consideration of all trades executed (Retail, Firm and Market Maker) and reduce the amount of time allowed for the entry of trades. **The approved rule changes will be effective January 1, 1999.**

In order to encourage the timely submission of all trade activity to the Exchange's Trade Match system, beginning January 1, 1999, Rule 2.30 will include all trades executed and reduce the amount of time allowed for the entry of trades. Rule 2.30 has been approved by the Floor Directors, Clearing Procedure and Financial Planning Committees as well as the Securities and Exchange Commission ("SEC").

IMPORTANT

Any member or firm that fails to submit at least 80% of trades within 90 minutes of execution will be assessed an additional fee.

The 90 minute input requirement will decrease, based on the following schedule:

Effective Date	Maximum Time Permitted for Trade Submission
January 1, 1999.....	90 minutes
April 1, 1999.....	75 minutes
July 1, 1999.....	60 minutes

Fees will be incurred on a daily basis and drafted monthly through the Options Clearing Corporation via CBOE's Integrated Billing system. Member fees will be drafted from the firm that Exchange fees are currently received. The fees will be calculated according to the following formulas:

Member Fee Calculation (Daily)

1. Determine the percentage of trades received on-time (initially, trades received within 90 minutes divided by total number of trades) for each member, as designated by the executing broker acronym on the trade match record.
2. If the daily on-time percentage is below 80%, determine a fee to the member as follows:

$$\text{Fee} = 2 \text{ cents} * (1 - \text{on-time percent}) * \text{total contracts}$$

Firm Fee Calculation (Daily)

1. Determine the percentage of trades received on-time (initially, trades received within 90 minutes divided by total number of trades) for each firm, as designated by the executing firm number on the trade match record.
2. If the daily on-time percentage is below 80% determine fee as follows:

$$\text{Fee} = 2 \text{ cents} * (80\% - \text{on-time percent}) * \text{total contracts}$$

Firms and members executing retail trades should note that trades awaiting account or CMTA information are NOT excluded from these requirements. The Exchange has made available the ability to provide account and CMTA information after the initial entry of a trade into the Trade Match system. Members and firms are advised to take advantage of this facility, as explained in Informational Circular IC98-96. Please notify your trading desk of these input requirements and request that all information necessary be provided in a timely manner.

Pro-forma statements reflecting fees under the new rule will continue to be distributed to clearing firms. December 1998 pro-forma reports will be available the first week of January 1999. Firms and members are encouraged to review these reports and initiate procedures to ensure compliance under the revised input requirements. After January 1, 1999, reports detailing actual fees will be made available on daily reports, delivered to each member's clearing firm.

Please direct any questions regarding this memo to Patrick Fay at 786-7520, Charlie Hullihan at 786-7176 or Hugh O'Neill at 786-7952.