



Regulatory Circular 20-036

Date: May 27, 2020

Exchanges: Cboe Options, C2 Options, Cboe BZX, Cboe EDGX

Markets: Options

To: Trading Permit Holders and Members

Re: Position and Exercise Limit Increases for Options on Certain Exchange Traded Funds and Indices

Position and Exercise Limit Increases

Cboe Exchange, Inc. (“Cboe Options”), Cboe C2 Exchange, Inc. (“C2 Options”), Cboe BZX Exchange, Inc. (“BZX Options”), and Cboe EDGX Exchange, Inc. (“EDGX Options”) provisions regarding position and exercise limits for options on the following exchange traded funds (“ETFs”) and indices were recently amended as follows:

ETF or Index	Class Symbol	Prior Limit (contracts)	New Limit (contracts)
The Standard and Poor’s Depository Receipts Trust	SPY	1,800,000	3,600,000
iShares China Large-Cap ETF	FXI	500,000	1,000,000
iShares MSCI EAFE ETF	EFA	500,000	1,000,000
iShares iBoxx High Yield Corporate Bond Fund	HYG	250,000	500,000
Financial Select Sector SPDR Fund	XLF	250,000	500,000
MSCI Emerging Markets Index	MXEF	25,000	50,000 ¹
MSCI EAFE Index	MXEA	25,000	50,000 ²

For more information, see Cboe Options Rules 8.30.07, 8.31(a), 8.42(b), and 8.42.02 and as well as the SEC order approving Rule Filing [SR-CBOE-2020-015, as amended](#). The above position and exercise limit changes are incorporated by reference into the C2 Options,³ BZX Options, and EDGX Options⁴ rules.

¹ The near term position limit restriction for MXEF options has been eliminated.

² The near term position limit restriction for MXEA options has been eliminated.

³ Chapter 5 of the C2 Options rules incorporates by reference Cboe Options Rules 8.30.07, 8.31(a), 8.42(b) and 8.42.02.

⁴ Pursuant to BZX Options (EDGX Options) Rule 18.7(a)(1) and 18.9(a)(1), Options Members may not exceed the position and exercise limits set by Cboe Options for any options contract traded on BZX Options (EDGX Options) that is also traded on Cboe Options. To the extent any of the above-identified options are not traded on BZX Options (EDGX Options), Rules 18.7(a)(3) and 18.9(a)(3) provide that Options Members may not exceed the position and exercise limits set by another exchange, when the Options Member is not an options member of the other exchange on which the transaction was effected.

Please note that options are also subject to position and exercise limits, and position reporting requirements (discussed below), of other options exchanges and Financial Industry Regulatory Authority, Inc., which may have lower levels. As a result, Trading Permit Holders (“TPHs”)/Options Members should consult the comparable rules of the other self-regulatory organizations as well.

Position Reporting Requirements

Other position reporting requirements continue to apply unchanged. For example, the position reporting requirements contained in Cboe Options/C2 Options Rule 8.43 and BZX Options/EDGX Options Rule 18.10 continue to apply to the above option classes. Per these rules, each TPH/Options Member shall report to the respective Exchange certain information for any customer who, acting alone, or in concert with others, on the previous business day maintained aggregate long or short positions on the same side of the market of 200 or more contracts of any single class of option contracts dealt in on the Exchange.

In addition, each TPH/Options Member (other than a market-maker registered with the applicable Exchange) that maintains a position in excess of 10,000 non-FLEX equity option contracts on the same side of the market on behalf of its own account or for the account of a customer, shall report information as to whether such positions are hedged, and provide documentation as to how such contracts are hedged. For more information on position reporting requirements, including requirements related to the aggregation of FLEX positions, refer to the rules noted above.

Additional Information

Questions regarding this Regulatory Circular may be directed to Regulatory Interpretations at RegInterps@cboe.com or 312.786.8141.