



## Regulatory Circular 22-008

**Date:** March 18, 2022

**Exchanges:** Cboe Options, C2 Options, BYX, BZX, EDGA and EDGX

**Markets:** Equities and Options

**To:** Trading Permit Holders and Members

**Re:** Quote and Order Messaging – Prohibited Activity

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### Updates and Replaces Cboe Regulatory Circular RC21-008

Cboe Options, C2 Options, BYX, BZX, EDGA, and EDGX (each an “Exchange” and collectively the “Exchanges”) are issuing this regulatory circular to provide notice to Trading Permit Holders and Members of conduct that is considered inconsistent with the Exchanges’ Rules, including just and equitable principles of trade.<sup>1</sup>

All message packets sent to an Exchange must be complete and must contain the minimum information identified in that Exchange’s technical specifications. A pattern or practice of intentionally preventing a message from reaching the Exchange’s gateway process is not permitted and would be considered conduct inconsistent with the Exchanges’ Rules.

In addition, the Exchanges consider the following (among other) activity to be conduct inconsistent with the Exchanges’ Rules:

- engaging in a pattern and practice of submitting partial message packets for the purpose of seeking to reduce latency;
- purposefully corrupting or constructing malformed data packets submitted to an Exchange; and/or
- intentionally preventing any Ethernet frame, IP packet, TCP packet and API message from reaching an Exchange’s gateway applications and being successfully processed.

The above list is not exhaustive – other behavior of a similar nature that is intended to reduce latency or disrupt an Exchange’s system would be inconsistent with that Exchange’s Rules.

#### **Additional Information**

Any questions regarding this Regulatory Circular may be referred to Regulatory Interpretations at [RegInterps@cboe.com](mailto:RegInterps@cboe.com) or 312.786.8141.

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<sup>1</sup> See, e.g., Cboe Options/C2 Options Rule 8.1 and BYX/BZX/EDGA/EDGX Rule 3.1. (Cboe Options Rule 8.1 is incorporated into C2 Options Chapter 5.)