



Regulatory Circular 26-007

Date: April 21, 2026

Exchanges: Cboe Options and EDGX Options

Markets: Options

To: Trading Permit Holders and Members

Re: Appointed Market-Maker Contra-Parties in AIM and SAM Auctions

Replaces Regulatory Circular [RC19-027](#)

Cboe Options and EDGX Options (the “Exchanges”) are issuing this Regulatory Circular to inform Trading Permit Holders and Members of recent rule changes removing restrictions on pairing an order from an appointed Market Maker as the Contra-Side Order¹ against an Agency Order in certain Exchange auctions.² Specifically, Cboe Options has removed the restriction from its Simple AIM, Simple SAM, FLEX AIM and FLEX SAM Auction provisions in its Rules 5.37, 5.39, 5.73, and 5.74, and EDGX Options has removed the restriction from its simple AIM and simple SAM Auctions in its Rules 21.19 and 21.21 (together the “Auctions”).³

These changes will become effective April 27, 2026. As of that date, an order for the account of a Market-Maker with an appointment in the applicable class may be paired by an Initiating TPH/Member as a Contra-Side Order against an Agency Order in these Auctions.

General Reminders

TPHs/Members must continue to adhere to all relevant rules and regulatory obligations when engaging in Auction transactions,⁴ including, but not limited to:

- The prohibition from engaging in a pattern or practice of submitting orders or quotes for the purpose of disrupting or manipulating Auctions. See, e.g., Cboe Options Rules 5.37.02 and EDGX Options Rule 21.19.02.
- The requirement to establish, maintain, and enforce written policies and procedures reasonably designed (taking into consideration the nature of such TPH/Member’s business) to prevent the misuse of material, nonpublic information (“MNPI”) by a TPH/Member or its associated persons. See, e.g., Cboe Options Rule 8.10 and EDGX Options Rule 18.4. TPHs/Members are reminded of their general obligations to guard against the misuse of MNPI.

¹ A “Contra-Side Order” is also referred to as an “Initiating Order.”

² See Release Nos. [34-105049](#) (March 19, 2026) ([SR-CBOE-2025-090](#)) and [34-105273](#) (April 20, 2026) ([SR-CboeEDGX-2026-021](#)).

³ There was previously/is no restriction on an appointed Market-Maker being solicited as a contra-side order for Complex AIM and Complex SAM Auctions.

⁴ The remainder of the circular is equally applicable to Complex AIM and Complex SAM Auctions (see Cboe Rules 5.38 and 5.40 and EDGX Rules 21.22 and 21.23).

For example, modifying orders, quotes, and/or Auction responses based on information regarding any solicitation would be prohibited.

Contra-Side Orders vs. Auction Responses

For each type of Auction, the rules prohibit the Initiating TPH/Member from also responding to the Auction. The System will reject an Auction response with the same EFID as the Contra-Side Order. Users are also not permitted to use different EFIDs to participate on the Contra-Side Order and submit an Auction response for the purpose of circumventing this requirement nor are Users permitted to use order or quotes to circumvent the requirement.⁵

If a firm has adequate procedures in place, the rules do not prohibit:

- the Exchange Market-Maker arm of a firm from being solicited to participate in an Auction with a Contra-Side Order in a class in which the Exchange Market-Maker is appointed and a non-Market-Maker proprietary arm or away market-maker of the firm from responding to the Auction;
- the non-Market-Maker proprietary arm of a firm from being solicited to participate in an Auction with a Contra-Side Order and the firm's Exchange Market-Maker or away market maker from responding to the Auction;
- an away market-maker of the firm from being solicited to participate in an Auction with a Contra-Side Order and the firm's Exchange Market-Maker or non-Market-Maker proprietary arm of a firm from responding to the Auction.

The adequacy of a firm's procedures will depend upon the nature of its business. Some factors to consider may include, but are not limited to, the following:

- if the firm has a written plan of organization that identifies separate trading units; specifies their trading objective(s); and supports their independent identity, and maintains compliance oversight and internal controls and procedures;⁶
- the different trading units: (i) are not aware of any other trading unit's solicitation, Agency Order, or Contra-Side Order; and (ii) the firm's other trading units do not modify its orders, quotes, and/or Auction responses based on information regarding any solicitation, Agency Order, or Contra-Side Order (e.g., the appointed Exchange Market-Maker unit's automated

⁵ Unrelated orders and quotes may participate in an Auction.

⁶ For a non-exhaustive list of other factors to consider, see, e.g., provisions for independent trading unit aggregation for purposes under Regulation SHO Rule 200 or provisions for non-aggregation for position limit purposes under Cboe Options Rule 8.30. A TPH is required to consider the nature of the TPH's business in structuring its policies and procedures, which may dictate that an information barrier or a functional separation be part of the appropriate set of reasonably designed policies and procedures.

system used for orders, quotes, and Auction responses in the class operates independently from the existence or nonexistence of any solicitation, Agency Order, or Contra-Side Order); and

- the firm otherwise abides by rules related to just and equitable principles of trade; prevention of the misuse of material, nonpublic information; and solicited transactions, as well as other Exchange rules.

Additional Information

The factors and illustrations noted above are not meant to be an exhaustive list. As noted above, other facts and circumstances may be taken into consideration. Additional questions about this circular may be directed to Regulatory Interpretations at RegInterps@cboe.com or 312.786.8141.