Regulatory Circular 26-018

Date: **November 3, 2026**

Exchanges: Cboe Options

Markets: **Options**

To: **Trading Permit Holders**

Re: **Publication of Characteristics and Associated Risks of Binary Options ("CARBO")**

Cboe Options (the "Exchange") is issuing this regulatory circular to notify Trading Permit Holders that Cboe Clear U.S., LLC ("CCUS") has published its *Characteristics and Associated Risks of Binary Options* (also known as the "CARBO").

The CCUS-published CARBO is the options disclosure document required by Rule 9b-1 of the Securities Exchange Act and covers KPI Binary Options issued and cleared by CCUS. It describes the characteristics and risks of KPI Binary Options, including the binary payoff structure, maximum loss scenarios, settlement mechanics, KPI event-resolution risk, and timing of settlement. See CCUS Rule 101(q). The CARBO does not serve as the options disclosure document for any other type of option and should only be distributed as the options disclosure document for KPI binary options issued and cleared by CCUS.

Broker-dealers must provide the CARBO to each customer the broker-dealer has verified as authorized to trade KPI Binary Options issued and cleared by CCUS. Each broker-dealer is responsible for delivering the CARBO in accordance with Rule 9b-1, the rules of the Exchange, and other applicable rules, such as the rules of a broker-dealer's options examining authority. Please see Cboe Options Rule 9.9(a), Delivery of Current Options Disclosure Documents.

Broker-dealers should obtain the CARBO only from the CCUS website and should not use copies obtained from any other source.

Additional Information

For more information regarding the CARBO please see CCUS Notice #26-12CN.

Any questions regarding this Regulatory Circular may be referred to Regulatory Interpretations at RegInterps@cboe.com or 312.786.8141.