

CBOE Regulatory Circular RG17-083

Date: June 9, 2017

To: Trading Permit Holders

From: Regulatory Division

Re: Trade Reporting Duties

Rule Filing SR-CBOE-2017-024 has recently become operative. The rule filing, among other things, adds Interpretation and Policy .04 to Rule 6.51. Interpretation and Policy .04 allows a TPH to enter certain default values if the TPH has no knowledge of the information at the time the TPH systematizes an order pursuant to Rule 6.24 or reports a trade pursuant to Rule 6.51.

In particular, if a TPH has no knowledge of the opening or closing status, account origin code, or time-in-force when systematizing an order through an Exchange-approved device or reporting a transaction, the following values may be used:

- either open or close, in the TPH's discretion (for opening or closing status);
- broker-dealer, origin code "B" (for account origin code); and
- day (for time-in-force).

TPHs may change any of these initial values via CTM, and must maintain records of any changes pursuant to CBOE Rule 6.67.

TPHs are reminded that, pursuant to CBOE Rule 4.22, it remains the responsibility of the TPH to provide accurate trade information necessary for the reporting of a trade to time and sales reports or to allow the Exchange to properly match and clear trades. Any actions taken by the Exchange pursuant to Interpretation and Policy .04 do not constitute a determination by the Exchange that an order was systematized or a trade was effected in conformity with the requirements of the Rules. Nothing in the Rule is intended to define or limit the ability of the Exchange to sanction or take other remedial action pursuant to other Rules for rule violations or other activity for which remedial measures may be imposed.

In that regard, TPHs may not use a default value to circumvent a rule in instances where knowledge of an above specified element is required for compliance. For example, in series that are restricted to closing-only transactions pursuant to CBOE Rule 5.4, a closing indicator should not be used as a default value.¹

Additional Information:

For additional information, please refer to Rule Filing SR-CBOE-2017-024 (which is available at <http://www.cboe.com/aboutcboe/legal-regulatory/cboe-rule-filings>). Questions related to the rules and related requirements may be directed to the Regulatory Interpretations team at reginterps@cboe.com or (312) 786-8141. Operational questions may be directed to the CBOE Market Services department at marketservices@cboe.com or (312) 786-7950.

¹ Pursuant to CBOE Rule 5.4, only closing transactions may be effected in a restricted class except for: (1) opening transactions by Market-Makers executed to accommodate closing transactions of other market participants and (ii) opening transactions by CBOE TPH organizations to facilitate the closing transactions of public customers executed as crosses pursuant to and in accordance with CBOE Rule 6.74(b) and (d).