



Cboe Options Regulatory Circular 18-021
C2 Options Regulatory Circular 18-010

BZX Regulatory Circular 18-006
EDGX Regulatory Circular 18-006

Date: July 3, 2018

To: Trading Permit Holders and Members

From: Regulatory Division

RE: Position and Exercise Limit Increases for Options on Certain Exchange Traded Funds and Resumption of SPY Position and Exercise Limits

Position and Exercise Limit Increase for Certain ETFs (Currently Effective)

The position and exercise limits for options on the following exchange traded funds (“ETFs”) were recently amended and are effective as follows:¹

ETF	Class Symbol	Prior Limit (contracts)	New Limit (contracts)
iShares MSCI Emerging Markets ETF	EEM	500,000	1,000,000
iShares MSCI EAFE ETF	EFA	250,000	500,000
iShares MSCI Japan ETF	EWJ	250,000	500,000
iShares Brazil Capped ETF	EWZ	250,000	500,000
iShares China Large-Cap ETF	FXI	250,000	500,000
iShares Russel 2000 ETF	IWM	500,000	1,000,000
PowerShares QQQ Trust	QQQ	900,000	1,800,000
iShares 20+ Year Treasury Bond Fund ETF	TLT	250,000	500,000

See SEC order approving Cboe Exchange, Inc. (“Cboe Options”) Rule Filing [SR-CBOE-2017-057, as amended](#), for more information. The above position limit changes are incorporated by reference into the Cboe C2 Exchange, Inc. (“C2 Options”),² Cboe BZX Exchange, Inc. (“BZX Options”), and Cboe EDGX Exchange, Inc. (“EDGX Options”)³ rules and are also effective.

¹ Please note that multiply-listed options are also subject to position and exercise limit and position reporting requirements of other options exchanges and the Financial Industry Regulatory Authority, Inc. (“FINRA”), so TPHs/Members should consult the comparable rules of the other self-regulatory organizations as well.

² C2 Options rules incorporate by reference Cboe Rule 4.11, Interpretation and Policy .07.

³ Pursuant to BZX Options and EDGX Options Rule 18.7(a)(1), Members may not exceed the position limits set by Cboe Options for any options contract traded on BZX Options or EDGX Options the is also traded on Cboe Options.

Position and Exercise Limit for SPY Options (Effective July 13, 2018)

On July 12, 2018, the position limit pilot program for SPDR S & P 500 ETF (symbol “SPY”) Options will expire. During the pilot there was no position or exercise limits is SPY.

Beginning July 13, 2018, the position and exercise limit for SPY Options will be 1,800,000 contracts (see immediately effective SEC notice of Cboe Options Rule Filing [SR-CBOE-2018-042](#)).

ETF	Class Symbol	Prior Limit (contracts)	New Limit as of July 13, 2018 (contracts)
SPDR S & P 500 STF	SPY	N/A	1,800,000

Position Reporting Requirements

The position reporting requirements contained in Cboe Options and C2 Options Rules 4.13 and BZX Options and EDGX Options Rules 18.10 continue to apply to the above ETF option classes. Per these rules, each Trading Permit Holder (“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 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.

Any questions regarding this Regulatory Circular may be referred to Regulatory Interpretations at RegInterps@cboe.com or 312-786-8141.