

Trader E-News

CBOE Holdings to Report Third-Quarter Financial Results Next Week

- CBOE Holdings plans to report third-quarter 2015 financial results next **Friday, October 30**. A conference call will be held at 7:30 a.m. Chicago time.
- Information will be available on the Investor Relations website at <http://ir.cboe.com>, under "Events and Presentations."

Revisions to the Series 4 Exam

- Please be advised that, effective immediately, the Series 4 Content Outline and Examination have been revised.
- Individuals engaged in the supervision of options sales practices and designated as Options Principals are required to qualify as an Options Principal by passing the Registered Options Principals Examination (Series 4).
- Please see [CBOE Regulatory Circular RG15-146](#) or [C2 Regulatory Circular RG15-040](#) for a description of the content outline and changes to the exam.

Quarterly Rebalance of Option Class Tiers

- Reminder: Market-Makers and/or Market-Maker affiliated firms have until **next Friday, October 30**, to adjust their appointments and/or number of Market-Maker Trading Permits as necessary so that their aggregate appointment cost is equal to or less than their net appointment credits.
- On **Monday, November 2**, the rebalance of option class appointment cost tiers, excluding the "AA" tier, for the fourth quarter, based on third-quarter national average daily volume (ADV), goes into effect. Rebalancing may result in additions or deletions to each tier's composition. When a class changes tiers, it is assigned the appointment cost of the new tier.
- See [CBOE Regulatory Circular RG15-140](#) for details.

Options on Russell 1000 Indexes – Large-Cap, Growth and Value – Launched

- On **Tuesday**, CBOE listed new options on three FTSE Russell Indexes: the Russell 1000 Index (**RUI**), the Russell 1000 Value Index (**RLV**) and the Russell 1000 Growth Index (**RLG**). Key features and potential advantages for the new index options include:
- **Large Contract Size.** The new index options have \$100 multiplier with large notional sizes that are approximately 10-times the size of comparable ETF options.
- **European-Style Exercise** with no risk of early assignment, such as for dividends.
- **Cash-settlement.** There is no unwanted delivery or assignment of shares.
- **Tax Treatment.** Under section 1256 of the U.S. Tax Code, profit and loss on transactions in certain exchange-traded index options, including RUI, RLV and RLG options, are entitled to be taxed at a rate equal to 60% long-term and 40% short-term capital gain or loss, provided that the investor involved and the strategy employed satisfy the criteria of the U.S. Tax Code.
- For more, visit the [CBOE Options Hub Blog](#).

Additional Information:

- Details on transaction fees, surcharge fees, Floor Brokerage Fees and CFLEX Surcharge Fees are provided in [CBOE Regulatory Circular RG15-147](#).
- For a complete product overview and information on margin and net capital requirements, see [Regulatory Circular RG15-145](#).

We encourage your input on these and other Exchange matters. Please feel free to contact us directly with your concerns.

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