



Regulatory Circular RG07-49

To: Members

From: Market Quality Assurance and DPM Administration

Date: April 30, 2007

Re: CBOE Delisting Policy

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In connection with the Penny Pilot Program, CBOE was required to implement quote mitigation strategies due to the demands on CBOE's system capacity and the option industry's capacity. Among the various strategies CBOE implemented was a new delisting policy, which provides that all equity option classes with national average daily volume ("ADV") of less than 20 contracts will be delisted.<sup>1</sup> CBOE intends to implement the delisting policy commencing in early May 2007.

To determine whether an equity option class is delisted, the class must be listed for at least one year and have a national ADV of less than 20 contracts during the most recent six-month period. Multiply listed classes will be delisted immediately; for equity option classes traded solely on CBOE, the delisting will be accomplished by ceasing to add new series. CBOE will notify members which classes will be delisted.

For questions, please contact Daniel Hustad at (312) 786-7715, or Allison Kile (312) 786-7210.

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<sup>1</sup> A copy of CBOE's rule filing (SR-CBOE-2006-92) pertaining to the Penny Pilot Program, which also described certain quote mitigation strategies CBOE has implemented, is available on CBOE's website at [www.cboe.org/Legal](http://www.cboe.org/Legal). The SEC approval order of the rule filing is also available on CBOE's website. See also Regulatory Circular RG07-13.