



## Regulatory Circular RG11-035

**TO:** Trading Permit Holders  
**FROM:** Market Quality Assurance Department  
**DATE:** February 25, 2011  
**RE:** Bid-Ask Differentials

**This Regulatory Circular updates and replaces RG11-007.<sup>1</sup>**

CBOE's rules allow it to set the bid-ask differential requirements on a class by class basis. CBOE will announce the bid-ask differentials via circular, and the current differentials are set forth below.

		1	2	3	4
		All classes excluding LEAPS, NDX, RUT, SPX, SPL, UltraShorts & UltraLongs	LEAPS, NDX, RUT, SPX and SPL	UltraShorts and UltraLongs	Short Sale Circuit Breaker in Effect <sup>2</sup>
A	Opening Rotation & Open Outcry Quote Widths	\$0.50 if the bid is less than \$2, \$0.80 where the bid is at least \$2 but does not exceed \$5, \$1.00 where the bid is more than \$5 but does not exceed \$10, \$2.00 where the bid is more than \$10 but does not exceed \$20 \$3.00 where the bid is more than \$20 but does not exceed \$50, \$5.00 where the bid is more than \$50 but does not exceed \$100, \$8.00 where the bid is more than \$100 but does not exceed \$200, and \$12.00 where the bid is more than \$200	2x Row A Column 1	\$10 wide, unless the bid is more than \$200, in which case the bid-ask differential is \$12 wide.	3x Row A Column 1, 2 or 3, as applicable
	Intraday Electronic Quoting Widths	\$5 where the bid does not exceed \$100, \$8.00 where the bid is more than \$100 but does not exceed \$200, and \$12.00 where the bid is more than \$200	2x Row B Column 1	\$10 wide, unless the bid is more than \$200, in which case the bid-ask differential is \$12 wide	3x Row B Column 1, 2 or 3, as applicable

The bid-ask differentials do not apply to at-the-money or in-the-money series where the quote width on the primary market of the underlying security, or the quote width calculated by the Exchange or its agent for

<sup>1</sup> The circular has been updated to revise the bid-ask differential requirements that apply in the options class overlying an NMS stock that are subject to a short sale circuit breaker under Rule 201 of Regulation SHO under the Exchange Act.

<sup>2</sup> The bid-ask differentials may be 3x wider for the option class overlying an NMS stock while the underlying stock is subject to a short sale circuit breaker under Rule 201 of Regulation SHO under the Exchange Act. The bid-ask differentials shall set forth in Column 1, 2 or 3 above, as applicable, shall recommence once the short sale circuit breaker is no longer in effect for the underlying NMS stock. *For example*, when a circuit breaker is triggered in the underlying stock XYZ, the \$0.50 opening rotation and open outcry quoting width requirement if the bid in an XYZ option series is less than \$2 will change to \$1.50, then revert back to \$0.50 once the circuit breaker is no longer in effect.

various indices, is wider than the differentials set forth above. For these series, the bid-ask differential may be as wide as the quote width on the primary market of the underlying security or calculated by the Exchange or its agent, as applicable. "In-the-money series" are defined as follows: for call options, all strike prices below the offer or last sale in the underlying security (whichever is higher); and for put options, all strike prices above the bid or last sale in the underlying security (whichever is lower).

The Market Quality Assurance Department will continue to accept requests for bid-ask relief on a class by class basis. Please note that if a particular option class was granted bid-ask relief through an expiration period and the relief is greater than the above bid-ask differentials, the relief granted will continue through the expiration period. A list of the classes that have been granted relief through March expiration can be found at <https://www.cboe.org/data/bidaskOrg.aspx>. Questions regarding bid-ask relief should be directed to Allison Kile of the Market Quality Assurance Department at 312-786-7198 or at [mqa@cboe.com](mailto:mqa@cboe.com).