



Regulatory Circular RG12-100

To: Trading Permit Holders
From: Business Development Division
Date: July 24, 2012
Re: Variance Strip Options - Systems Settings

On July 27, 2012, CBOE plans to begin trading S&P 500 Variance Trades (also known as Variance Strip options), symbol VSTRP.

System settings and other details for VSTRP are as follows:

- Trading will be fully automated with no open outcry.
- Trades executed electronically will be allocated using Price-Time priority consistent with Rule 6.45A(a)(ii). Public Customer priority and the Participation Entitlements shall not apply.
- The minimum price increment will be .05 at all price levels.
- The Hybrid Opening System (HOSS) will be used, (i.e., the HAL Opening Procedure (HALO) in Rule 6.2B.03 will not be active).
- VSTRP will open systematically at 8:30AM and will close at 3:00PM.
- Exchange Prescribed Widths (EPWs) and Opening Exchange Prescribed Widths (OEPWs) will follow standard settings, as described in Regulatory Circular RG12-095.
- All Order origins will be eligible for auto-ex.
- All Order origins will be eligible for booking.
- COB and COA will not be available.
- AIM will not be available.
- Preferred Market Maker trade allocation will not be available.
- A daily SPX Variance Strip series listing and related information may be found at <http://www.cboe.com/data/variancestrips/default.aspx>.
- CBOE requires permit holders to complete a TPH Routing Authorization form with a list of acronyms that may be enabled for routing VSTRP orders. Please note that the system will reject VSTRP orders from trading permit holders whose acronyms have not been enabled.

Please contact Greg Burkhardt at 312-786-7531, Bill Speth at 312-786-7141, Charlie Hullihan at 312-786-7176 or the Help Desk at 866-728-2263 with any questions regarding this matter.