



EXECUTE SUCCESS<sup>SM</sup>

## Regulatory Circular RG13-055

**Date:** April 5, 2013

**To:** Trading Permit Holders  
**From:** Business Development Division  
**RE:** Automatic Release of Orders Routed to Away Exchanges

CBOE may route option orders to away exchanges under certain circumstances, such as if CBOE is not at the national best bid or offer ("NBBO"). Routing brokers perform these routing services for CBOE pursuant to Rule 6.14B. In the normal course, after a routing broker sends an order to another exchange, the routing broker immediately reports an execution or cancellation of the routed order back to the Exchange and passes the fill or cancellation onto the Trading Permit Holder ("TPH"). After an order is routed, CBOE holds any instructions from the TPH to cancel the order (i.e. the order is "locked") until CBOE receives that response or releases the order.

As set forth in Rule 6.6A(b), CBOE may release orders being held on CBOE that are awaiting an away exchange execution as CBOE deems necessary to maintain fair and orderly markets if, among other things, a technical or systems issue occurs at CBOE. Technical or system issues would include instances where CBOE has not received confirmation of a fill or cancellation on the away exchange from a routing broker within a response time interval designated by CBOE through Regulatory Circular. CBOE designates that interval to be 15 seconds. Therefore, if the Exchange does not receive confirmation of an execution or cancellation of a routed order from a routing broker within the 15-second period, CBOE will automatically release the order for normal processing, which will be eligible for execution or posting on CBOE.

This automatic release functionality will be rolled out to one trade server, Business Cluster (BC) 9, effective Monday, April 8, 2013, and is planned to be rolled out to all remaining BCs by Thursday, April 11, 2013. Please contact the CBOE Help Desk for additional information and updates on the particular BC rollout schedule, as well as a list of classes traded on each BC.

### **Additional Information:**

General questions regarding this matter may be directed to the CBOE Help Desk at (866) 728-2263 or [helpdesk@cboe.com](mailto:helpdesk@cboe.com), or to Charlie Hullihan (312) 786-7176 or [hullian@cboe.com](mailto:hullian@cboe.com).

Please also see Rule Change Filing No. [SR-CBOE-2012-108](#) for additional information on the cancellation or release of routed orders and the use of error accounts to liquidate error positions.