

Regulatory Circular RG14-049

Date: April 2, 2014

To: Trading Permit Holders
From: Business Development Division
RE: Preferred Market-Maker Program Eligible Classes

[Updates Information Circular IC05-148](#)

Effective April 9, 2014, classes DJX, OEX, XEO, XSP and XSPAM will be eligible for the Preferred Market-Maker (PMM) program. PMMs will be entitled to a participation right, after public customers, on the allocation of incoming electronically-executed orders.

Market-Makers who may be designated as a PMM on orders in these classes are reminded to comply with PMM quoting obligations, which differ from quoting obligations applicable to non-PMM Market-Makers. In general, PMMs are required to provide continuous electronic quotes in the lesser of (A) at least 99% of the non-adjusted options series that have a time to expiration of less than nine months or (B) 100% of the non-adjusted options series that have a time to expiration of less than nine months minus one call/put pair of each appointed options class, pursuant to Rule 8.13. Rule 1.1 defines "continuous" as 90% of the time. These continuous quoting obligations will not apply to intra-day add-on series on the day during which the series are added.

In addition, for these classes, 100% of the remainder of incoming electronically executed orders with an original quantity of 1-5 lots, after allocation to resting public customers, will be allocated to the DPM (or LMM if applicable) as long as the DPM or LMM is on the NBBO and the order is not preferred to another Market-Maker who is quoting on the NBBO.

Additional Information:

Questions regarding the operational topics in this circular may be directed to the CBOE Help Desk at 866-728-2263 or helpdesk@cboe.com.

Please contact the Regulatory Interpretations and Guidance team at RegInterps@cboe.com or (312) 786-8141 for additional information on regulatory matters related to this circular.

Please see Rule 8.13 and Regulatory Circular RG13-058 for additional details on the PMM program and PMMs' continuous quoting obligations.