

## Regulatory Circular RG15-130

**Date:** September 23, 2015

**To:** Trading Permit Holders

**From:** Business Development Division

**RE:** Allocation of 1-5 Lots and Preferred Market- Maker Entitlements

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### Updates Regulatory Circulars RG-15-011 and RG-14-049

This circular announces that effective September 28, 2015, in addition to the classes where it is already enabled, the small order preference priority overlay will be enabled for incoming orders with an original quantity of 1-5 lots for classes: BVZ, MXEA, MXEF, RUT, RVX and VIX.

Additionally classes DJX, OEX, XEO and XSP will no longer be eligible for the Preferred Market-Maker (PMM) Program.

For all Hybrid classes that are not eligible for the PMM program in which the small order preference priority overlay is active, 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 Designated Primary Market-Maker (DPM) (or Lead Market-Maker (LMM) if applicable) as long as the DPM or LMM is on the NBBO.

Please note that unbundling of orders greater than 5 contracts into 1 to 5 lot increments for the purpose of achieving small order preference in favor of any DPM or LMM may be a violation of CBOE Rule 4.1, *Just and Equitable Principles of Trade*.

#### 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](mailto:helpdesk@cboe.com).

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

Please see Rules 6.45A(iii) and 6.45B(iii) for additional details regarding the Small Order Preference Priority Overlay and Rule 8.13 for additional details regarding the PMM program.