

## Regulatory Circular RG15-155

**Date:** October 30, 2015

**To:** Trading Permit Holders  
**From:** Business Development and Systems Divisions  
**RE:** Designated BCP/DR Participants

### Overview

Beginning November 3, 2015, all U.S. options exchanges are required to be compliant with the SEC's Regulation Systems Compliance and Integrity (Regulation SCI). Pursuant to Regulation SCI Rule 1004,<sup>1</sup> and recent amendments to CBOE Rule 6.18 (Disaster Recovery)<sup>2</sup>, the Chicago Board Options Exchange, Incorporated (the "Exchange" or "CBOE") is required to establish standards for the designation of those participants that the Exchange reasonably determines are, taken as a whole, the minimum necessary for the maintenance of fair and orderly markets in the event of the activation of the Exchange's business continuity and disaster recovery plans and designate participants pursuant to those standards. Designated participants ("Designated BCP/DR Participants") will be required to participate in testing of the Exchange's business continuity and disaster recovery plans.

### Designated BCP/DR Participants

Pursuant to Regulation SCI Rule 1004 and CBOE Rule 6.18<sup>3</sup>, the following participants have been determined to be Designated BCP/DR Participants of the Exchange:

- All Market-Makers in option classes exclusively listed on CBOE<sup>4</sup> who are streaming quotes in such classes;
- All Designated Primary Market-Makers (DPMs) in multiply listed option classes; and
- All TPHs connected to the CBOE primary data center and transacting non-TPH customer business unless that TPH can demonstrate ready access to the back-up data center through another TPH that is a designated participant. Note that:
  - Floor Broker TPHs that do not have proprietary systems connected to CBOE and instead utilize Exchange-sponsored facilities such as Floor Broker Workstation (FBW), PULSe, or the CBOE Order Management Terminal (OMT) are not required to participate.

Please note that if a Designated BCP/DR Participant uses a third party for connectivity, it is not sufficient for only the third party to participate in testing. The Designated BCP/DR Participant must participate in the testing.

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<sup>1</sup> See 17 C.F.R. §242.1004.

<sup>2</sup> See CBOE Rule 6.18(b)(iv) (Trading Permit Holder Participation); Securities Exchange Act Release No. 76203 (October 20, 2015), 80 FR 65258 (October 26, 2015) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to Disaster Recovery) (SR-CBOE-2015-088).

<sup>3</sup> See CBOE Rule 6.18(b)(iv).

<sup>4</sup> "Exclusively listed on CBOE" means an option that is listed exclusively by CBOE because CBOE has an exclusive license to use, or has proprietary rights in, the interest underlying the option.



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#### **Future Regulation SCI Disaster Recovery Testing**

Please note that pursuant to Regulation SCI Rule 1004 and CBOE Rule 6.18, entry of orders and/or quotes may in the future be necessary for "successful" participation in the test. The dates, details, and requirements of any upcoming tests will be announced at a later date via Regulatory Circular.

#### **Additional Information:**

Please contact the CBOE Help Desk at 866-728-2263 for information regarding operational questions.

Questions regarding the rule requirement to participate in the mandatory testing may be directed to the Regulatory Interpretation and Guidance Line, (312) 786-8141 or [RegInterps@cboe.com](mailto:RegInterps@cboe.com).