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CBOE Regulatory Circular RG17-111

Date: **August 10, 2017**

To: **Trading Permit Holders**

From: **Business Development Division**

RE: **CTM Terminal Enhancement**

This circular updates circular RG17-105

Beginning August 14, 2017, the Chicago Board Options Exchange, Incorporated ("CBOE") will implement an enhancement to the CBOE Trade Match System ("CTM") terminal that will require the designation of a "Reason Code" when a trade record is added or deleted, or if one of the following fields is changed (pursuant to Rule 6.67):

1) Series (including, for example, the class symbol, expiration date, or strike price);
2) Quantity;[1]
3) Buy or Sell;
4) Premium Price; and/or
5) Origin Code (if changing from origin code "C" to any other origin code).

On the Trade Entry, Trade Update, Bulk Update, and Allocation screens, a Reason Code box with the selections listed below will activate when one or more of the fields listed above are changed. The Reason Code box will also activate for Trade Adds and Trade Deletes when a matched trade is deleted.

- Input Error or Error Rpt. (Rule 6.67)
- Unmatched Trade (Rule 6.67)
- Unknown at Ord Entry (Rule 6.67)
- Manual Add (6.67)
- Other, Text Required (Rule 6.67)
- Allocation
- Trade Nullification (Rule 6.25)
- Trade Adjustment (Rule 6.25)
- Error Account (Rule 6.79)
- System Issue

If it is discovered that an incorrect reason code was selected, the correct reason code and trade transaction number should be sent to CTMchanges@CBOE.com.

Procedures set forth in the below circulars remain unchanged.

- RG15-072 – related to Rule 6.67 http://www.cboe.com/publish/regcir/rg15-072.pdf
- RG15-074 – related to Rule 6.25 http://www.cboe.com/publish/regcir/rg15-074.pdf
- RG15-088 – related to Rule 6.79 http://www.cboe.com/publish/regcir/rg15-088.pdf

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[1] Users must designate a reason code for changes which result in a difference between the original and updated cumulative trade quantity. Post-trade account/CMTA re-allocations which do not result in a change to the cumulative trade quantity do not require a reason code.

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Additional Information

Operational questions may be directed to the CBOE Help Desk at (312) 786-7914. Regulatory questions regarding this circular may be directed to Regulatory Interpretations at reginterps@cboe.com or (312) 786-8141.