



BOXSM
OPTIONS EXCHANGE

Informational Circular

IC-2012-018

TO: BOX Options Participants
FROM: BOX Market Operations Center
SUBJECT: Change to PIP Sweep of BOX Book
DATE: November 8, 2012

BOX Options Exchange is pleased to announce the release of a change to the Price Improvement Period ("PIP") to modify the execution of quotes and orders that are on the BOX Book prior to a PIP Broadcast.

This new feature will be implemented on Monday, November 19, 2012.

Note: Participants are not required to make any system changes.

Overview

[BOX-2012-003](#) specifies that quotes and orders on the BOX Book prior to the PIP Broadcast will not be executed until the PIP has concluded, and will be filled in time priority before any other order at the same price, including the Primary Improvement Order or any Unrelated Order. Max Improvement Primary Improvement Orders will continue, however, to receive an allocation of the PIP Order where they match Improvement Orders at prices better than the PIP Start Price. A Max Improvement Primary Improvement Order also retains priority over other Improvement Orders for 40% of the remaining size of the PIP Order at the final PIP Order execution price level. Quotes and orders on the BOX Book prior to the PIP Broadcast, however, retain their priority over the Initiating Participant at the final PIP Order execution price level.

BOX believes the rule change will benefit customers because it will ensure that more customer orders are exposed to the PIP and thus, more likely that such orders may receive price improvement. See [BOX-2012-003](#) for a more detailed description of the change.

Contact

Please contact the Market Operations Center at (866) 768-8845 or by e-mail at BOXMOC@boxexchange.com should you require additional information.