



**BOX**<sup>SM</sup>  
OPTIONS EXCHANGE

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Informational Circular

IC-2013-008

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**TO:** BOX Options Participants  
**FROM:** BOX Market Operations Center  
**SUBJECT:** Mini Options Overview and Applicable Fees  
**DATE:** March 14, 2013

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The SEC has approved BOX Options Exchange to list and trade options overlying ten shares of certain securities ("Mini Options").<sup>1</sup> All existing BOX rules applicable to regular sized options on equities and ETFs ("standard options") will apply to Mini Options, except with respect to position and exercise limits and hedge exemptions to those position limits, which would be adjusted for the smaller size of 10 contracts. As of **March 18, 2013**, Market Makers may start quoting Mini Options.

### Overview

**Premium Multiplier:** The total cash price of a mini-option will be the premium amount times the share multiplier of ten. For example, an order to buy 1 Mini Option executed at \$1 would cost  $\$1 * 10 = \$10$ , not including any fees and commissions.

**Symbology:** The options symbol for each Mini Option will be the same symbol that currently exists for the standard options on the same security, **followed by the number seven ("7")**. Specifically, the options symbols for mini-options will be: AAPL7, AMZN7, GLD7, GOOG7, SPY7.

**Option Class:** Each mini-option will be considered a separate class from the standard option on the same security. For purposes of compliance with position and exercise limits, ten Mini Option contracts will equal one standard contract overlying 100 shares.

**Market-Maker Class Appointment:** Mini Options will only be available to those Market Makers already assigned to the standard class.

**Market-Maker Quoting Obligations:** Mini Options will not be combined with standard options of the same security for the purpose of determining Market Maker quoting obligations.

**Price Increments:** Pending regulatory approval<sup>2</sup>, the minimum trading price increment for Mini Options will be the same as permitted for standard options on the same security. Specifically, AAPL7, AMZN7 and GLD7 will trade in penny increments up to \$3 and in nickel increments above \$3; GOOG7 will trade in nickel increments up to \$3 and dime increments above \$3; and SPY7 will trade in penny increments at all price levels.

**Equity Hedge Exemption:** With regard to the application of an equity hedge exemption to position and exercise limits 10 shares are used to hedge 1 Mini Option Contract.

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<sup>1</sup> See File No. SR-BOX-2013-07, filed on January 22, 2013 by BOX.

<sup>2</sup> See File No. SR-BOX-2013-14, filed on March 13, 2013 by BOX.

## Fees for Mini Options

Subject to regulatory approval, BOX is amending certain fees for Mini Options also effective **March 18, 2013**.

**Exchange Fees:** Mini Options transactions will be assessed 1/10<sup>th</sup> of the applicable standard contract Exchange Fee in Section I of the BOX Fee Schedule. On a per trade basis, Exchange Fees on Mini Options will be rounded to the nearest \$0.01 using standard rounding rules. Mini Options will be counted the same as a standard transaction when calculating average daily volume.

**Liquidity Fees and Credits:** The Exchange currently exempts certain transactions from Liquidity Fees and Credits. The Exchange has amended Section II. D of the BOX Fee Schedule to also exempt Mini Options from all Liquidity Fees and Credits.

**Fees on Eligible Orders Routed to an Away Exchange:** Mini Options will be treated the same as standard contracts for any applicable routing fees.

**Regulatory Fees:** The Options Regulatory Fee will be assessed at the same rate for Mini Options.

The complete BOX fee schedule is available on the BOX website at [http://boxexchange.com/assets/BOX\\_Fee\\_Schedule.pdf](http://boxexchange.com/assets/BOX_Fee_Schedule.pdf)

## Contact

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