



BOXSM
OPTIONS EXCHANGE

Informational Circular

IC-2013-015

TO: BOX Options Participants
FROM: BOX Market Operations Center
SUBJECT: Jumbo SPY Overview and Applicable Fees
DATE: May 06, 2013

The SEC has approved¹ BOX Options Exchange to list and trade options overlying one thousand SPDR[®] S&P 500[®] exchange-traded fund shares,² or Jumbo SPY options (“Jumbo SPY”). All existing BOX rules applicable to regular sized options on equities and ETFs (“standard options”) will apply to Jumbo SPY. As of **May 10, 2013**, Market Makers may start quoting Jumbo SPY.

Overview

Symbology: The options symbol for Jumbo SPY will be SPYJ.

Expiration and Strike Prices: The expirations and strike prices will be the same as those applicable to standard SPY options.

Premium Multiplier: The total cash price of Jumbo SPY will be the premium amount times the share multiplier of one thousand. For example, an order to buy 1 Jumbo SPY executed at \$1 would cost $\$1 * 1,000 = \$1,000$, not including any fees and commissions.

Option Class: Jumbo SPY will be considered a separate class from the standard option on the same security.

Market Maker Class Appointment: Jumbo SPY will only be available to those Market Makers already assigned to the standard class.

Market Maker Quoting Obligations: Jumbo SPY will not be combined with standard SPY options for the purpose of determining Market Maker quoting obligations.

Price Increments: The minimum trading price increment for Jumbo SPY will be the same as permitted for standard options on the same security. Specifically, SPYJ 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 1,000 shares are used to hedge 1 Jumbo SPY Contract.

¹ See File No. SR-BOX-2013-06, approved on May 3, 2013.

² “SPDR[®],” “Standard & Poor’s[®],” “S&P[®],” “S&P 500[®],” and “Standard & Poor’s 500” are registered trademarks of Standard & Poor’s Financial Services LLC. The SPY ETF represents ownership in the SPDR S&P 500 Trust, a unit investment trust that generally corresponds to the price and yield performance of the SPDR S&P 500 Index.

Price Improvement Period (“PIP”): Jumbo SPY will be eligible to trade in the PIP auction.

Facilitation and Solicitation Auctions: Jumbo SPY executed in the Facilitation Auction must be for five (5) or more Jumbo SPY contracts, and Jumbo SPY executed in the Solicitation Auction must be for fifty (50) or more Jumbo SPY contracts.

Complex Orders: The Exchange will allow for complex orders involving Jumbo SPY. However, if any leg of a complex order is a Jumbo SPY contract, all options legs of such orders must also be Jumbo SPY contracts.

More information on Jumbo SPY is available on the BOX website at <http://boxexchange.com/jumbo-spy/>

Fees for Jumbo SPY

Pending regulatory approval, BOX plans to amend its Fee Schedule for transactions in Jumbo SPY.

Exchange Fees: Public Customers will be assessed a \$0.07 fee and Professional Customers and Broker Dealers will be assessed a \$0.25 fee for all Jumbo SPY transactions. The Market Maker Jumbo SPY fee will be \$0.25, or based on the average daily volume (“ADV”) table in Section I.B of the Fee Schedule, whichever is lower. Jumbo SPY transactions will be counted the same as standard transactions when calculating ADV.

Liquidity Fees and Credits: The Exchange currently exempts certain transactions from Liquidity Fees and Credits in Section II.D of the BOX Fee Schedule. The Exchange plans to also exempt Jumbo SPY from all Liquidity Fees and Credits.

Regulatory Fees: The Options Regulatory Fee will be assessed at the same rate for Jumbo SPY.

The complete BOX fee schedule is available on the BOX website at http://boxexchange.com/assets/BOX_Fee_Schedule.pdf

Contact

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