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**Regulatory Circular****RC-2015-07**

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**TO: BOX Options Participants**  
**FROM: BOX Regulation**  
**SUBJECT: Change to BOX Rule 7170 – Obvious and Catastrophic Errors**  
**DATE: March 31, 2015**

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BOX Options Exchange (“BOX” or “the Exchange”) recently filed to amend BOX Rule 7170 to provide for new procedures that account for erroneous trades occurring from disruptions and/or malfunctions of Exchange systems.<sup>1</sup>

Beginning **April 1, 2015** any transactions that arise out of a “verifiable systems disruption or malfunction” in the use or operation of an Exchange automated quotation, dissemination, execution, or communication system may either be nullified or adjusted by the Exchange. Transactions that qualify for price adjustment will be adjusted to a Theoretical Price, as defined in BOX Rule 7170(d).

Further, the change allows the Exchange, on its own motion, to review any transaction occurring on the Exchange that is believed to be a result of a verifiable disruption or malfunction of Exchange systems. When reviewing these transactions the Exchange shall act as soon as possible after receiving notification of the transaction, and in no event will act later than 9:30 a.m. (ET) on the next trading day following the date of the transaction in question.

### **Contacts**

Please review the information provided herein. If you have any questions regarding this information, please contact BOX Regulation at [BOXMRC@BOXregulation.com](mailto:BOXMRC@BOXregulation.com).

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<sup>1</sup> See [BOX-SR-2015-15](#)