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**Regulatory Circular****RC-2015-09**

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**TO: BOX Options Participants**  
**FROM: BOX Regulation**  
**SUBJECT: New Harmonized Obvious and Catastrophic Error Rule**  
**DATE: May 7, 2015**

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Effective **Friday, May 8, 2015**, BOX Options Exchange ("BOX" or "Exchange") will adopt a new harmonized BOX Rule 7170, Nullification and Adjustment of Options Transactions including Obvious Errors, in coordination with the U.S. options exchanges.

The purpose of this circular is to highlight particular provisions in revised BOX Rule 7170. Please see [SR-BOX-2015-18](#) for a complete description of the changes to BOX Rule 7170.

#### Mutual Agreement

Transactions may now be nullified or price-adjusted by mutual agreement of the affected parties. The agreement must be submitted to the Exchange prior to 8:30 a.m. ET on the first trade day following the execution.

#### Obvious Errors

The filing time deadlines for filing obvious error notifications will now be consistent across all exchanges. Trade review requests for customer orders must be submitted within 30 minutes after the execution, and requests for non-customer orders must be submitted within 15 minutes after the execution. BOX Participants should continue to submit their requests for obvious error trade reviews by notifying the Market Operations Center.

#### Significant Market Events

The harmonized rules also provide a special provision for a Significant Market Event, which is defined as potentially erroneous transactions occurring across multiple exchanges meeting specific criteria. In the event of a suspected Significant Market Event, BOX shall initiate a coordinated review of potentially erroneous transactions with all other affected options exchanges to determine the full scope of the event and to ensure a consistent application across the options exchanges.

#### Appeal

In order to appeal a ruling, the party affected by the determination must notify the Exchange within 30 minutes after receiving verbal notification of the final determination. Decisions by the CRO on appeals are final and cannot be further appealed.

#### **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).