



BOXSM
REGULATION

Regulatory Circular

RC-2015-11

TO: BOX Options Participants
FROM: BOX Regulation
SUBJECT: Changes to Preferred Market Maker Quoting Requirements
DATE: May 19, 2015

BOX Options Exchange ("BOX") has recently filed to amend the quoting requirements for Preferred Market Makers.¹

Beginning **June 8th, 2015** Preferred Market Makers will need to maintain a continuous two-sided market throughout the trading day in 99% of the non-adjusted² option series of each class for which it accepts Preferred Orders, for 90% of the time the Exchange is open for trading in each such option class³ in order to be eligible to receive the allocation preference. The Preferred Market Maker must still be quoting at the NBBO when the order is received in order to receive the determined allocation.

Compliance with this requirement will be determined on a monthly basis; however, determining compliance with this requirement on a monthly basis does not relieve a Preferred Market Maker from meeting the quoting requirements on a daily basis.

Contacts

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

¹ See [SR-BOX-2015-19](#).

² An "adjusted option series" is an option series wherein, as a result of a corporate action by the issuer of the underlying security, one option contract in the series represents the delivery of other than 100 shares of underlying stock or Units.

³ For purposes of this requirement, a Preferred Market Maker is not required to quote in intra-day add-on series that have a time to expiration of nine months or more in classes for which it receives Preferred Orders and a Market Maker may still be a Preferred Market Maker in any such series if the Market Maker otherwise complies with the Preferred Market Maker requirements.