



BOXSM
REGULATION

Regulatory Circular

RC-2012-11

TO: BOX Participants
FROM: BOX Regulation
SUBJECT: **Order Handling with Regard to Locked Markets**
DATE: **May 1, 2012**

Rule 7130(b)(1) of the BOX Trading Rules specifically describes how the BOX Trading System handles inbound orders that, if exposed, would cause the NBBO to be crossed. If the inbound marketable order is sent to BOX with a "do not route" order condition, the BOX Trading System is programmed to reject the NBBO crossing orders back to the BOX Participant.

The above cited rule does not specifically address how the BOX Trading System handles inbound orders that, if exposed, would cause the NBBO to be locked. Please be advised that if the inbound marketable order is sent to BOX with a "do not route" order condition, the BOX Trading System is also programmed to reject these NBBO locking orders back to the BOX Participant.

This circular is not intended to be a comprehensive description of the BOX Trading Rules. The BOX Trading Rules can be viewed in their entirety on the BOX website at: www.boxexchange.com.

Please review the information provided herein. If you have any questions regarding this information, please contact Ken Meaden, Chief Regulatory Officer, at (617) 235-2258.