



Communications and Equipment on the Trading Floor

TO: BOX Options Market Participants
FROM: BOX Exchange LLC
SUBJECT: Communications and Equipment on the Trading Floor
DATE: February 28, 2023

BOX Exchange LLC (the “Exchange” or “BOX”) is issuing this Notice to remind Participants of certain Exchange requirements regarding communications and equipment on the Trading Floor.¹

Communications and Equipment

Subject to the requirements of Rule 7660, Floor Participants may use approved communication methods and devices (e.g., any hardware or software related to a phone, system or other devices, including an instant messaging system, e-mail system or similar device) when engaging in business communications on the Trading Floor and in the Crowd Area.² However, pursuant to Rule 7660(g), no person on the Trading Floor may use any device for the purpose of recording activities on the Trading Floor or maintaining an open line of continuous communication whereby a person not located in the Crowd Area may continuously monitor the activities in the Crowd Area. This prohibition covers, but is not limited to, intercoms, walkie-talkies and any similar devices, and open mic and web-based communication applications.

As a reminder, video capabilities of any video conferencing platforms are not permitted on the Trading Floor. Floor Participants who use alternative communication devices for conferencing must ensure that the video functionality of any such device used on the Trading Floor is disabled.

¹ Please see BOX Rule 7600, the BOX Communication Device Policy, and the BOX Communication Device Registration Form for more information.

² BOX Rule 7660 (Communications and Equipment).

Recordkeeping Obligations

The federal securities laws and the Exchange Rules require Participants to preserve all records of business communications as part of their books and records.³ This includes, but is not limited to, electronic communications such as e-mails, instant messages, and text messages, whether on business or personal devices. Methods of communication that generate or receive messages that cannot be retained as part of a Participant's books and records in a readable format (for example, applications that generate or receive messages that the Participant is unable to decrypt or retain) do not satisfy this requirement and therefore should not be used for business communications. Participants further are required to have supervisory policies and procedures reasonably designed to ensure that employees use only approved communication methods and devices when engaging in business communications.

Telephone and Alternative Communication Device Logs for Floor Participants

Floor Participants must also create and maintain records, including phone logs, that document their use of approved telephone and alternative communication devices (e.g., video-disabled conferencing applications such as Zoom, Webex, or Teams) on the Trading Floor.⁴ Logs should reflect all calls made or received, the phone numbers associated with those calls, the dates and times of the calls, and the duration of the calls. The logs must be maintained for at least three years, the first two years in a readily accessible place. The Exchange reserves the right to periodically inspect such records.⁵

Supervision

Pursuant to the supervision rules of the Exchange, Participants must establish, maintain, and enforce supervisory systems and written supervisory procedures reasonably designed to comply with the obligations described above.⁶ Participants should periodically review and update their supervisory procedures pertaining to recordkeeping to ensure that they are reasonably designed to comply with applicable recordkeeping requirements.

Contact

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

³ See, e.g., Section 17(a)(1) of the Securities Exchange Act of 1934 and Rules 17a-3 and 17a-4 thereunder; BOX Rule 10000 (Maintenance, Retention and Furnishing of Books, Records and Other Information).

⁴ BOX Rule 7660.

⁵ BOX Rule 7660(k).

⁶ BOX Rule 7000(c)(3) .