TO: **BOX Options Participants**

FROM: **BOX Market Operations Center**

SUBJECT: **Customer Cross Orders**

DATE: **February 13, 2012**

BOX Options Exchange is pleased to announce the release of a new feature allowing Cross Orders between two non-Professional, Public Customers.

This new feature will be available to all BOX Participants on _Thursday, March 1, 2012_.

Note: Participants who do not wish to submit Customer Cross Orders to BOX are not required to make any changes.

Overview

- A Customer Cross Order is comprised of a non-Professional, Public Customer to buy and a non-Professional, Public Customer to sell at the same price and for the same quantity.
- Customer Cross Orders are automatically executed upon entry provided the execution is between the best bid and offer on BOX and will not trade through the NBBO market.
- Customer Cross Orders will be automatically rejected if they cannot be executed.
- Customer Cross Orders may only be entered in the regular trading increments applicable to the options classes.
- Customer Cross Orders are not accepted on an option instrument while there is a PIP auction in progress or while an order is being exposed for the same option instrument.
- Customer Cross Orders are only accepted during continuous trading.

Detailed System Changes

SAIL Protocol
SAIL Participants will need to use the protocol "**A2**" or "**A5**" to send Customer Cross Orders. These protocol versions also include the changes described in the following Technical Notices and Informational Circulars:

Protocol A2
       08-006: Make or Take Flag in the Execution Message
       08-042: Addendum – Make of Take Flag in the Execution Message
       2011-007: New Solicitation and Facilitation Auction Mechanisms for Block Trades

Protocol A5
       Everything included in the A2 plus the following:
       2011-010: New Market Maker Protection Features
       2011-011: Participant Trade Prevention Feature

The following SAIL messages and fields are impacted by the introduction of the Customer Cross Order feature:

Message Type	Field Name	Change
OA – Auction Entry	Special Price Term	New value '**X**' for Customer Cross Order
NT – Execution Notice	Special Trade Indicator	New value '**D**' for Customer Cross Order Trade
NX – Execution Cancellation Notice	Special Trade Indicator	New value '**D**' for Customer Cross Order Trade
KI – Improvement Order Acknowledgment	Status	New value '**X**' for Customer Cross Order acknowledgment

FIX Protocol
Participants using FIX will need to contact the BOX Market Operations Center to have their connection configured to send Customer Cross Orders. They will also need to support the changes described in the following Technical Notices and Informational Circular:
> 08-006: Make or Take Flag in the Execution Message
> 08-042: Addendum – Make of Take Flag in the Execution Message
> 10-004: Give Up
> 2011-007: New Solicitation and Facilitation Auction Mechanisms for Block Trades

The following FIX messages and fields are impacted by the introduction of the Customer Cross Order feature:

Message Type	Field Name	Change
PI – PIP Initial Order	9383 – AuctionType	New value '**X**' for Customer Cross Order
8 – Execution Report	9459 - SpecialTradeInd	New value '**D**' for Customer Cross Order Trade

EOD Trade Report
The field "TradeType" will contain the value "Crossed" for trades resulting from Customer Cross Orders.

ATR Feed
The field "TradeType" of all message types related to Trade, Allocation and Give-Up will contain the value "C" for trades resulting from Customer Cross Orders.

Testing
Participants are invited to test this new feature in the BOX Test environment at their convenience.

Fees
Each side of the Customer Cross Order is subject to a trading fee of $0.07 per executed contract, as set forth in Section 1c of the BOX Fee Schedule.

Contact
Please contact the Market Operations Center at (866) 768-8845 or by e-mail at BOXMOC@bostonoptions.com should you require additional information.