



Changes to Market Maker Obligations

TO: BOX Options Market Participants
FROM: BOX Exchange LLC
SUBJECT: Changes to Market Maker Obligations
DATE: August 29, 2025

Effective September 5, 2025, BOX Exchange LLC (the “Exchange”) is making certain updates to the rules governing Market Maker and Preferred Market Maker obligations. A summary of the key changes is as follows.¹

Changes to Market Maker Obligations

The Exchange is making certain changes to the Market Maker Rules, as described below.

- **Rule 7300 (Preferred Orders).** The Exchange is amending Rule 7300 to now exclude Quarterly Options Series from the Preferred Market Maker continuous quoting obligations.
- **Rule 8040 (Obligations of Market Makers).** The Exchange is deleting Rule 8040(a)(9), which provides:
 - Except in unusual market conditions, refrain from purchasing a call option or a put option at a price more than \$0.25 below parity, although a larger amount may be appropriate considering the particular market conditions. In the case of calls, parity is measured by the bid in the underlying security, and in the case of puts, parity is measured by the offer in the underlying security. The \$0.25 amount above may be increased, or the provisions of this paragraph may be waived, by the Exchange on a series-by-series basis.

¹ A full description of the revised rules as compared to the Exchange’s former rules, is available in the proposed rule change as filed with the Securities and Exchange Commission, please see [SR-BOX-2025-20](#). Participants should familiarize themselves with the revised rules.

- **IM-8050-2.** The Exchange is amending IM-8050-2 to now exclude Quarterly Options Series from the Market Maker continuous quoting obligations.
- **Rule 8510 (Obligations and Restrictions Applicable to Floor Market Makers).** The Exchange is deleting Rule 8510(d)(2), which provides:
 - Maximum Option Price Change. Bidding no more than \$1 lower and/or offering no more than \$1 higher than the last preceding transaction price for the particular option contract. However, this standard shall not ordinarily apply if the price per share of the underlying stock or Exchange-Traded Fund Share has changed by more than \$1 since the last preceding transaction for the particular option contract.

Clarifying Changes

The Exchange is also making certain clarifying changes to the Market Maker Rules to codify existing practices and exclusions, as described below.

- **Rule 5070 (Long-Term Options Contracts).** The Exchange is amending 5070(a) to clarify that continuous quoting obligations do not apply to LEAPS until the time to expiration is less than nine (9) months.
- **Rule 7300 (Preferred Orders).** The Exchange is amending Rule 7300 to clarify that the Preferred Market Maker continuous quoting obligations do not apply to intra-day add-on series on the day such series are added for trading.
- **Rule 8050 (Market Maker Quotations).** The Exchange is amending Rule 8050(e) to add the following language relating to a Market Maker's continuous quoting obligations:
 - Compliance with this requirement is determined on a monthly basis; however, determining compliance with this requirement on a monthly basis does not relieve a Market Maker from meeting this quoting requirement on a daily basis, nor does it prohibit the Exchange from taking disciplinary action against a Market Maker for failing to meet this requirement each trading day.
- **IM-8050-2.** The Exchange is amending IM-8050-2 to clarify that the Market Maker continuous quoting obligations do not apply to intra-day add-on series on the day such series are added for trading.

Contact

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