



BOXSM
REGULATION

Regulatory Circular

RC-2017-12

TO: BOX Options Participants
FROM: BOX Regulation
SUBJECT: Trading Conduct and Order & Decorum on the Trading Floor
DATE: August 3, 2017

In conjunction with the upcoming launch of open outcry trading¹, BOX Options Exchange (“BOX”) recently filed to adopt rules that will enable the Exchange to establish and enforce compliance with trading conduct and order and decorum on the BOX Trading Floor.²

Standards of Dress

All persons on the Trading Floor, whether Floor Participants, employees of Floor Participants or visitors, shall at all times, whether prior to, during or after trading sessions, be dressed in a manner appropriate for business purposes and in accordance with good taste and professional standards.

Standard of Conduct

(1) All persons on the Trading Floor are required to conduct themselves in accordance with a seemly and professional standard of behavior. No person while on the Trading Floor shall

(i) engage in any act or practice that may be detrimental to the interest or welfare of the Exchange; or

(ii) engage in any act or practice that may serve to disrupt or hinder the ordinary and efficient conduct of business; or

(iii) engage in any act or practice that may serve to jeopardize the safety or welfare of any other individual; or

(iv) act in a disorderly manner, which includes, but is not limited to, the use of abusive or indecorous language.

(2) The entry of food or drink may be permitted at the discretion of the Exchange. Alcoholic beverages may not be consumed on the Trading Floor at any time.

¹ See [SR-BOX-2016-48 Amendment 2](#).

² See [SR-BOX-2017-26](#).

(3) Smoking in any form, any kind of tobacco use, or any expectorating on the Trading Floor, is prohibited. This prohibition shall apply at all times whether or not the Trading Floor is in session.

(4) Running on the Trading Floor, which shall mean any movement at a degree of speed which may disrupt other occupants of the Trading Floor, is prohibited.

(5) Standing on chairs, furniture, booths, ladders, stools and similar items is prohibited.

(6) No object of any kind may be placed in the Pit if it could obstruct the flow of people in or out of the Pit. This includes all chairs, stools or other furniture.

Trading Floor Badges

Admission to the Trading Floor will be by badge only except in the case of certain designated Options Exchange Officials. While on the Trading Floor, all persons must, at all times, display appropriate badges.

Visitors on the Trading Floor

(1) Visitors must be the invited guests of a Floor Participant or of certain designated members of the Exchange staff. Other non-Floor Participant employees are not permitted to invite visitors to the Trading Floor.

(2) Visitors must be signed in by the inviting Floor Participant or staff personnel, and wear a visitors badge at all times when on the Trading Floor. The inviting Floor Participant will be responsible for the visitor's conduct on the Trading Floor and for the return of badges and must accompany such visitors at all times while they are on the Trading Floor.

(3) Visitors may not enter the Crowd Area, block passageways, or otherwise disrupt or impair activity on the Trading Floor.

(4) Persons associated with Floor Participants may visit the Trading Floor only upon an invitation under the terms of subsection (1), above.

(5) The Exchange may restrict visiting on the Trading Floor in any manner at any time, when the Exchange deems that the presence of some or all visitors may interfere with orderly Trading Floor procedures.

Exclusion from the Trading Floor

An Options Exchange Official may exclude a Participant and any associated person of the Participant from the Trading Floor for breaches of regulations that relate to administration of order, decorum, health, safety and welfare on the Exchange that occurred on the Trading Floor or on the premises immediately adjacent to the Trading Floor.

If a Participant shall be excluded for a period exceeding forty-eight (48) hours, an expedited hearing will be held before the Chair of the Hearing Committee or his or her designee within forty-eight (48) business hours after the Participant's exclusion from the Trading Floor. Written notice will be provided to the Participant of the date, time and place of the hearing. The Participant may be represented by counsel.

Please see [SR-BOX-2017-26](#) for a complete description of Rule 2120.

Contact

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