CBOE Information Circular IC14-001
C2 Information Circular IC14-001

Date: January 2, 2014

To: CBOE and C2 Trading Permit Holders
From: Trading Operations
RE: Update to Short Term Option Series (Weeklys) and Quarterly Option Series Programs

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Chicago Board Options Exchange, Incorporated (CBOE) and C2 Options Exchange, Incorporated (C2) recently amended the Short Term Option Series (Weekly Options) and Quarterly Option Series (QOS) Programs. Copies of recent rule filings making the described changes are available on the CBOE website[1]: http://www.cboe.com/publish/RuleFilingsSEC/SR-CBOE-2013-121.pdf and http://www.cboe.com/publish/RuleFilingsSEC/SR-CBOE-2013-125.pdf.

The Weekly Option and Quarterly Option Series Programs were updated in the following ways:

Weekly Options Program

- CBOE and C2 may now each select up to fifty currently listed option classes on which weekly options may be opened on any weekly options opening date (i.e., Thursday or Friday).

- In addition to the existing strike price intervals already permitted, a strike interval may be $2.50 or greater where the strike price is above $150. See Rules 5.5(d)(5) and 24.9(a)(2)(A)(v).

- Additional strike prices for equity and exchange traded product weekly options can be added based on the below criterion:

    - If the price of the underlying is less than or equal to $20, additional strike prices shall be not more than one hundred percent (100%) above or below the price of the underlying security; and

    - If the price of the underlying security is greater than $20, additional strike prices shall be not more than fifty percent (50%) above or below the price of the underlying security.

The newly adopted strike price range parameters described above do not apply to index weekly options. For the strike price range parameters applicable to index weekly options, see Rule 24.9(a)(2)(A)(iii) and (iv).

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[1] The majority of C2's rules are the same as CBOE rules and were adopted as part of the Securities and Exchange Commission's order approving C2's application for registration as a national securities exchange. In addition, to avoid any duplicative filings, any changes to CBOE Rules that are incorporated to C2 Rules by reference may be made to C2 Rules as well so long that written notice is made to C2 Trading Permit Holders. As such, the filings referenced in this circular apply to both CBOE and C2.

Quarterly Option Series Program

- Exchange traded fund (ETF) options participating in the QOS program are no longer limited to 71 strikes.

- Additional strikes prices may be added so long that such additional strike prices shall be within thirty percent (30%) above or below the closing price of the underlying ETF on the preceding day.

Refer to Rules for Additional Details

This circular is not intended to provide a comprehensive description of the Weekly Options or QOS Programs. CBOE and C2 Trading Permit Holders should refer to Rules 5.5 and 24.9 for additional details regarding the Weekly Options and QOS Programs.

Contact Information

Questions regarding this circular may be directed to Omarr Woodhouse, Trading Operations, at (312) 786-8047 or to Megan Malone, Legal Division, at (312) 786-7304.

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