

## CBOE Regulatory Circular RG16-179

**Date:** November 18, 2016  
**To:** Trading Permit Holders  
**From:** Business Development Division  
**RE:** Participation Entitlement Applicable to Crossing Orders in Open Outcry

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### Updates and Replaces Regulatory Circular RG15-055

In accordance with Exchange Rule 6.74(d), the Exchange has determined to revise the open outcry crossing participation entitlement parameters applicable to SPX, NDX, OEX and XEO.

Effective November 21, 2016, the open outcry crossing participation entitlements after satisfying public customer orders in the book are revised as follows:

- For the **SPX** class (which includes symbols SPX and SPXW) and the **NDX** class, the entitlement is **40%** for open outcry **facilitations** of eligible orders of **50 contracts or more**. Please note that there is no entitlement for solicitations. (Previously the entitlement in the SPX class and the NDX class was 20% for facilitations.)
- For the **OEX** class and the **XEO** class, the entitlement is **40%** for **facilitations and solicitations** of eligible orders of **50 contracts or more**. (Previously the entitlement in the OEX class and in the XEO class was 20% for facilitations and solicitations.)

*Please note that additional procedures and requirements apply. See Rule 6.74(d) for additional information regarding the open outcry crossing participation entitlement procedures and requirements and Rules 6.9 and 6.74 for additional information regarding open outcry crossing procedures and requirements generally. Please also note that Rule 6.20.04 provides that effecting or attempting to effect a transaction with no public outcry is a violation of Rule 6.74. Effecting or attempting to effect a transaction with no public outcry may be a violation of other Exchange Rules as well.*

In light of the parameter changes noted above, an updated listing of the applicable open outcry crossing participation entitlement parameters that had previously been announced in Regulatory Circular RG15-055 follows.

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### Open Outcry Crossing Entitlement Percentages

Under Exchange Rule 6.74(d), for each class that the Exchange determines to establish a crossing participation entitlement, the Exchange also determines: (i) whether the crossing entitlement applies to facilitations (defined in Rule 6.74(d) as a cross of a public customer order with a facilitation order of the firm from which the customer order originated) and/or solicitations; (ii) the eligible size for an original order that may be subject to the crossing entitlement, which may not be less than 50 contracts; and (iii) a crossing entitlement percentage of either 20% or 40% of the contracts remaining after satisfying all public customer orders that were on the limit order book and represented in the trading crowd at the time the market was established.

The table below lists the open outcry crossing participation entitlements that the Exchange has established for each class as of November 21, 2016. Please note that the minimum size requirement for all classes is 50 standard contracts (500 mini-option contracts) or greater. Please also note for a multi-part or complex order, at least one leg of the order must be for the eligible order size or greater to qualify for the open outcry crossing participation entitlement.

	RUT	IWM, SPY SPX,NDX	All Other Non-FLEX Option Classes
Facilitations	40%	40%	40%
Solicitations	20%	None	40%

FLEX Options are subject to the trading procedures and principles set out in Exchange Rule 24B.5. With respect to open outcry crossing transactions, the Exchange has determined to establish an open outcry crossing participation entitlement for each FLEX Option class in accordance with Rule 24B.5(d)(2)(ii). The table below lists the open outcry crossing participation entitlements that the Exchange has previously established for each FLEX Options class. There is no minimum size requirement for FLEX options.

	FLEX Equity Option Classes	FLEX Index Option Classes
Facilitations	40%	<b>greater of</b> (i) 40%, (ii) a proportional share of the trade, (iii) \$1 million Underlying Equivalent Value, or (iv) the remaining Underlying Equivalent Value of a closing transaction valued at less than \$1 million
Solicitations	40%	<b>greater of</b> (i) 40%, (ii) a proportional share of the trade, (iii) \$1 million Underlying Equivalent Value, or (iv) the remaining Underlying Equivalent Value of a closing transaction valued at less than \$1 million

#### Additional Information

Please see Rules 6.74(d) and 24B.5(d)(2)(ii) for additional information regarding the open outcry crossing participation entitlement procedures and requirements and Rules 6.9, 6.74 and 24B.5 for additional information regarding open outcry crossing procedures and requirements generally. Please also note that effecting or attempting to effect a transaction with no public outcry is a violation of Rule 6.74 or 24B.5, as applicable, and other Exchange Rules. The rules are available via the following link: <http://www.cboe.com/aboutcboe/legal/cboelegalregulatoryhome.aspx>.

Questions regarding operational matters relating to this circular may be directed to the CBOE Help Desk at [helpdesk@cboe.com](mailto:helpdesk@cboe.com) or 866-728-2263.

Questions regarding the rules referenced in this circular may be directed to Regulatory Interpretations at [reginterps@cboe.com](mailto:reginterps@cboe.com) or 312-786-8141.