



BOXX[®]
OPTIONS EXCHANGE

Regulatory Circular

RC-2015-24

TO: BOX Options Participants
FROM: BOX Market Operations Center
SUBJECT: Designated BCP/DR Participants
DATE: November 3, 2015

Overview

Beginning **November 3, 2015**, all U.S. options exchanges are required to be compliant with the SEC's Regulation Systems Compliance and Integrity (Regulation SCI). Pursuant to Regulation SCI Rule 1004¹ and newly effective BOX Rule 2100² (Mandatory Participation in Testing of Backup Systems), BOX Options Exchange ("BOX") is required to establish standards for the designation of those participants that BOX reasonably determines are, taken as a whole, the minimum necessary for the maintenance of fair and orderly markets in the event of the activation of BOX's business continuity and disaster recovery plans and designate participants pursuant to those standards.

Designated participants ("Designated BCP/DR Participants") must connect to the Exchange's disaster recovery systems and participate in mandatory functional and performance testing of such disaster recovery systems as announced by the Exchange, which shall occur at least once every 12 months.

Designation Standards

- BOX Market Makers ("MM") who provide the largest MM executed liquidity making volume, and when combined, account for at least 70% of total MM executed liquidity making volume on BOX.
- Volume shall be measured over each calendar quarter commencing with the January 1 through March 31, 2016 calendar quarter (each, a "measurement quarter").

Any changes to the Designation Standards will be published by BOX in a Regulatory Circular in advance of the start of any measurement quarter and will not be applied retroactively to any measurement quarter then completed or in progress.

Notice to Designated BCP/DR Participants

BOX will individually notify Designated BCP/DR Participants of their designation as such (including the Exchange volume percentage(s) such designation is based upon) promptly following completion of the applicable measurement quarter. Participants designated for the first time will become subject to the requirements of Rule 2100 in the next calendar quarter following their receipt of notice of designation from BOX. For example, Participants meeting the Designation Standards in the January 1 through March 31, 2016 measurement quarter will be notified by BOX that they are Designated BCP/DR Participants in early April 2016 and will be required to connect

¹ See 17 C.F.R. §242.1004.

² See [SR-BOX-2105-35](#)

to the Exchange's disaster recovery systems in the calendar quarter commencing July 1, 2016 and participate in BOX's BCP/DR plans testing occurring on or after that calendar quarter.

BOX will further notify Designated BCP/DR Participants of the date of BOX's next scheduled BCP/DR plans testing and BOX's BCP/DR Plans Testing Requirements no later than three (3) months in advance of such testing date.

BOX currently anticipates that the Exchange's next scheduled BCP/DR plans testing will take place on or about October 2016 and will be coordinated on an industry or sector-wide basis with other participating industry or sector-wide entities. BOX will publish the date of the Exchange's BCP/DR plans testing promptly upon industry finalization and announcement of the date of the industry or sector-wide BCP/DR plans testing.

Contact

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