



BOXSM
REGULATION

Regulatory Circular

RC-2017-02

TO: BOX Options Participants
FROM: BOX Regulation
SUBJECT: Market Maker Obligations
DATE: January 30, 2017

Effective **January 17, 2017**, BOX Options Exchange ("BOX") amended BOX Rule 8040 regarding obligations of Market Makers. Specifically, BOX Rule 8040(a)(9) now states¹:

"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."

Additionally, the Exchange deleted Rule 8040(a)(10), otherwise known as the "one point rule."

For more information, please see [SR-BOX-2017-03](#).

Contact

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

¹ Changes are italicized.