



BOXSM
REGULATION

Regulatory Circular

RC-2018-02

TO: BOX Options Participants
FROM: BOX Regulation
SUBJECT: Floor Broker Error Accounts
DATE: January 16, 2018

Effective **February 1, 2018**, BOX Options Exchange, LLC ("BOX") will introduce rules related to the use of Floor Broker error accounts. Specifically, BOX Rule 3030 (Error Accounts) will state that each Participant who conducts a business as a Floor Broker on the Exchange and who is not self-clearing, must establish and maintain an account with a clearing Participant of the Exchange for the sole purpose of carrying positions resulting from bona fide errors¹ made in the course of its floor brokerage business.

For more information please see [SR-BOX-2018-01](#).

Contact

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

¹ A "Bona fide Error" is defined as (i) the inaccurate conveyance or execution of any term of an order including, but not limited to, price, number of shares or other unit of trading; identification of the security; identification of the account for which securities are purchased or sold; lost or otherwise misplaced order tickets; short sales that were instead sold long or vice versa; or the execution of an order on the wrong side of a market; (ii) the unauthorized or unintended purchase, sale, or allocation of securities, or the failure to follow specific client instructions; (iii) the incorrect entry of data into relevant systems, including reliance on incorrect cash positions, withdrawals, or securities positions reflected in an account; or (iv) a delay, outage, or failure of a communication system used to transmit market data prices or to facilitate the delivery or execution of an order.