



**TO:** BOX Options Participants  
**FROM:** BOX Regulation  
**SUBJECT:** Quotation Parameter Violations under the MRVP  
**DATE:** May 23, 2016

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BOX Options Exchange (“BOX”) recently filed to amend the sanctions for Market Maker quotation parameter violations under the Exchange’s Minor Rule Violation Plan or (“MRVP”).<sup>1</sup>

Beginning **May 24, 2016**, the sanctions for violations of Rule 8040(a)(7) regarding spread parameters for Market Maker quotations will be subject to the fines listed below. Additionally, the Exchange may aggregate individual quotation violations and treat such violations as a single occurrence under the revised rule.

**Fine Schedule (Implemented on a one-year running basis)**

**Sanction**

1 <sup>st</sup> Occurrence	Letter of Caution
2 <sup>nd</sup> Occurrence	Letter of Caution
3 <sup>rd</sup> Occurrence	Letter of Caution
4 <sup>th</sup> Occurrence	\$250.00
5 <sup>th</sup> Occurrence	\$500.00
6 <sup>th</sup> Occurrence	\$1,000.00
7 <sup>th</sup> Occurrence and Thereafter	Sanction is discretionary with the Hearing Committee

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<sup>1</sup> See SR-BOX-2016-22.

The Exchange will continue to conduct surveillance with due diligence and make a determination based on its findings, on a case-by-case basis, whether a fine of more or less than the recommended amount is appropriate for a violation under the MRVP or whether a violation requires a formal disciplinary action.

Please see [SR-BOX-2016-22](#) for a complete description of the changes to BOX Rule 12140(d)(5).

### **Contact**

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