



Regulatory Circular**RC-2012-05**

TO: BOX Participants**FROM:** BOX Regulation**SUBJECT: Directed Orders with Fill and Kill Designation****DATE: May 1, 2012**

Directed Orders (DO) that are designated with the condition Fill and Kill (FAK) will have the FAK condition apply only when the orders are not submitted by the Executing Participant (EP) to the Price Improvement Period (PIP) and are instead released to the BOX Book. DO-FAK orders, like all DOs that are not PIPed and subsequently released to the BOX Book, will execute immediately with any marketable orders on the BOX Book. The FAK will result in the immediate cancellation (i.e. killing) of any remainder of the DO that has not been executed. In addition, like any DO, if there is a Guaranteed Directed Order (GDO) present, the order will be exposed to the BOX Market for three (3) seconds. After execution with the GDO, if applicable, any remaining quantity will be cancelled.

Example:

NBBO 2.00 – 2.10

BOX BBO 2.00 – 2.10 (10 contracts offered)

DO-FAK Buy 20 @2.10

If the DO is not submitted to the PIP by the EP, the DO will be released to the BOX Book. This will result in the DO-FAK trading immediately against the BOX offer (10 contracts @ 2.10) and the remaining 10 contracts will be immediately cancelled.

However, if the 2.10 offer on the BOX Book belongs to the EP, the EP will send a GDO upon release of the DO-FAK order to the BOX Book. The DO-FAK will be exposed to the BOX Market for three (3) seconds before execution with the GDO. Assuming no responses are received, the DO-FAK will execute against the GDO for 10 contracts and the remaining 10 contracts will be cancelled.

Please review the information provided herein. If you have any questions regarding this information, please contact Ken Meaden, Chief Regulatory Officer, at (617) 235-2258.