



Regulatory Circular RG08-106

To: Members  
From: Division of Member and Regulatory Services  
Date: September 17, 2008  
Re: SEC Issues New Rules Regarding Short Sales

As you probably are aware, the SEC today issued a press release announcing their intent to take various actions with respect to short sales that take effect Thursday, September 18, 2008 at 12:01 a.m. (ET). The actions the SEC took are:

- the imposition of a hard T+3 delivery requirement;
- the elimination of the options market maker exception to the short sell close-out provisions; and
- the adoption of Rule 10b-21, which targets fraudulent short selling transactions.

The SEC press release is available at <http://www.sec.gov/news/press/2008/2008-204.htm>. The rules themselves have not yet been released.

We understand there are many questions related to this rulemaking. CBOE Staff is in the process of trying to find answers to the many questions that have been raised. We will issue further guidance as we learn more. Staff is compiling issues that our members have raised regarding the rulemaking. Please forward any questions to Jim Adams at [adamsj@cboe.com](mailto:adamsj@cboe.com) or 312-786-7718 or Jennifer Lamie at [lamie@cboe.com](mailto:lamie@cboe.com) or 312-786-7576.