

Regulatory Circular RG13-162

Date: December 19, 2013

To: CBOE and CBSX Trading Permit Holders

From: Department of Market Regulation – Options Regulatory Surveillance Authority

RE: Form OE-418 and Attachments

2013 Year-End Filing

Due March 3, 2014

Introduction

CBOE Rule 4.18 requires every Trading Permit Holder (“TPH”) or TPH organization to establish, maintain and enforce written policies and procedures reasonably designed to prevent the misuse, in violation of the Securities Exchange Act of 1934 (the “Act”) and CBOE Rules, of material nonpublic information by the TPH or persons associated with the TPH.

The Exchange has created a set of forms (OE-418 and its attachments) intended to assist TPH individuals and small TPH organizations who meet certain criteria discussed below to satisfy the requirements of Rule 4.18. Qualified TPHs that file the forms in an accurate and timely manner and comply with the policies and procedures mandated by those forms will be deemed in compliance with the filing and record-keeping requirements of the Rule.

Eligibility:

Among other things, Rule 4.18 requires that each TPH that is required to file FOCUS Reports (SEC Form X-17A-5) annually (as opposed to monthly) as required by Rule 15.5 must also file an attestation that the aforementioned procedures have been established, enforced and maintained. For purposes of satisfying this submission requirement, form OE-418 and its attachments may be used by:

1. Individual TPHs with no employees
2. Individual TPHs who employ no more than three non-TPH employees¹
3. TPH organizations with no more than three employees who are nominees and which employ no more than six non-TPH employees

Larger TPH organizations that believe that they may rely on the form OE-418 and its attachments to maintain compliance with Rule 4.18 must submit an explanation as to why they believe the forms to be sufficient.

Factors which affect the ability of a given TPH to use the forms as a sole means of complying with Rule 4.18 include but are not limited to the following: size of organization; access during the course of normal business to material nonpublic market or corporate information; regular communications with listed corporations; relationships and/or business dealings with persons associated with listed corporations.

¹ The term “non-TPH employee” refers to anyone who performs services for a TPH in connection with the TPH’s business as a TPH and who is not also a TPH.