



**Boston Options Exchange Regulation LLC
Regulatory Circular 2007-02**

TO: BOX Participants
FROM: BOX Regulation LLC/BSE Regulatory Services
DATE: February 7, 2007
SUBJECT: BOX New Origin Codes

Please be advised that **effective February 12, 2007**, BOX will implement new origin codes.

Currently, BOX Participants have a choice of three “origin” codes, one of which must be attached to orders and quote entry messages submitted to BOX. The present codes consist of Public Customer, BD=Firm, and Market Maker which are defined below.

Public Customer (“C”)

This existing code is used for Public Customer trades to the OCC for clearance as “Customer.”

BD=Firm (“F”)

This existing code is used for Broker/Dealer trades to the OCC for clearance as “Firm.”

Market Maker (“M”)

This existing code is used for Market Maker trades to the OCC for clearance as “Market Maker.”

BOX will now provide market participants the ability to indicate at the order entry level if a Broker/Dealer is a BOX Participant or Non-BOX Participant as well as whether the BD trade should clear BD or Customer at OCC.

In addition, the Market Maker code will be made more granular by adding codes for an Away MM who is affiliated with a BOX Participant and an Away MM who is not a BOX Participant nor affiliated with a BOX Participant.

Below are the new origin codes with their respective definitions.

BOX Broker Dealer (7 or “F”)

This existing code will continue to be available. However, it should only be used in future for orders submitted by BOX Participants for their own account.

BOX Broker Dealer Cleared as Customer (“W”)

This new code should be used only for orders submitted for the account of a BOX Participant but which should clear as Customer at OCC.

Away Broker Dealer (“Y”)

This new code should be used only for orders submitted for the account of a Broker Dealer which is not a BOX Participant; it will clear Broker Dealer at OCC.

Away Broker Dealer Cleared as Customer (“V”)

This is identical to the previous “Y” code except that the trades will clear the Customer field at OCC.

Away Market Maker Affiliated with a BOX Participant (“X”)

This new code should be attached to any order, other than orders routed as P orders via InterMarket Linkage, which is on behalf of an account which holds the market maker designation at another options exchange and is also affiliated with a BOX Participant. For example, an account acting as market maker on ISE which is affiliated with a firm which is a BOX Participant (not necessarily a BOX Market Maker) should use this code. Trades bearing this code will be cleared in the Market Maker field at OCC.

Away Market Maker Not Affiliated with a BOX Participant (“Z”)

This code is identical to the previous code X except that the beneficial account is NOT affiliated with a BOX Participant.

The Exchange is providing notice to all Participants in advance of the effective date so they can make any necessary technical adjustments to their systems.

Please review this information with your compliance departments. If you have any questions regarding this information contact Bruce Goodhue, Chief Regulatory Officer, at (617) 235-2022.