



**Boston Options Exchange Regulation LLC  
Regulatory Circular 2009-07**

**TO: BOX Participants and Participant Organizations**

**FROM: BOX Regulation LLC**

**DATE: April 17, 2009**

**SUBJECT: Zero Bid Orders on BOX**

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The U.S. Securities and Exchange Commission has approved a rule change to clarify the treatment of certain Zero Bid Orders on BOX.<sup>1</sup> As amended, BOX Rules Chapter V (Doing Business on BOX), Section 14 (Order Entry) now provides:

At the opening, Market Orders have priority over Market-on-Opening Orders and Limit Orders. After the opening, when the highest BOX Bid for a series is zero, any Market Order or BOX-Top Order to sell (“Zero Bid Orders”) shall be considered a Limit Order to sell at a price, above zero, equal to the minimum trading increment applicable to that particular options series (See Chapter V, Section 6 “Minimum Trading Increments”). If the resulting Limit Order would cause a locked or crossed market, then the original Market Order or BOX-Top Order will be rejected by the Trading Host.

The implementation date for the approved change is tentatively set for Monday, April 27, 2009. A subsequent Regulatory Circular will be distributed to confirm the exact date for implementation.

Please review this information with your compliance department. If you have any questions regarding this information contact Joe Dalton at (617) 235-2317 or Bruce Goodhue at (617) 235-2022.

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<sup>1</sup> See Securities Exchange Act Release No. 59742 (April 9, 2009), 74 FR 17701 (April 16, 2009)(SR-BX-2009-014).