



**BOXR**  
BOSTON OPTIONS EXCHANGE  
REGULATION

# PARTICIPANT APPLICATION

## Minimum Requirements for BOX Participants

- Firm registration with NASDAQ OMX BX, with an appointed principal contact
- United States based firm, or, if foreign based, a United States registered subsidiary
- A Designated Options Examining Authority\*
- A clearing agreement with OCC, or an arrangement with an OCC member-firm for clearing through OCC (i.e. give-up)
- For Market Makers: Minimum Net Equity of \$200,000, or SEC Rule 15c3-1 Net Capital Requirements, whichever is greater

\* Note: in the absence of an appointed DOEA, NASDAQ OMX BX may become a firm's DOEA. If NASDAQ OMX BX is a firm's DOEA, there will be further minimum requirements than those set forth here.



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## BOSTON OPTIONS EXCHANGE (“BOX”)

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### **GENERAL INSTRUCTIONS**

This application is separated into the three sections attached. The completed application shall be filed with the Boston Options Exchange Regulation (BOXR) Registration Department. To facilitate prompt consideration, the required information should be clearly printed or typed. All questions applicable to your form of application must be answered and all information furnished as of the date of the application for admission, unless waived by BOXR. Approval of this application provides the applicant the right to participate on BOX. This application and corresponding right to participate is not assignable or transferable.

**PART 1 – INDIVIDUAL PARTICIPANTS APPLICATION** (*Required to be completed by all participants.*)

Each participant firm must have an individual representative. Please complete the individual application provided in Part 1.

**PART 2 – FIRM PARTICIPANTS APPLICATION** (*Required to be completed by all participants.*)

This section covers general background information on your firm. All firms must complete Part 2 of the application.

**PART 3 – FIRMS WITH NASDAQ OMX BX AS DESIGNATED OPTIONS EXAMINING AUTHORITY (“DOEA”)**

Only firms for which NASDAQ OMX BX will act as its DOEA should complete Part 3 of this application.

**PART 4 – FIRMS WISHING TO ACT AS MARKET MAKERS ON BOX**

Only firms who wish to be eligible to be designated as BOX Market Makers should complete Part 4 of this application. Note that upon approval of Part 4 of this Application, the firm will be eligible to request particular options classes. This request will be the subject of a separate application which may only be submitted once Parts 1,2 and 4 of this Application have been approved by BOXR.

Please note that approval of a participant is subject to the sole discretion of BOXR. Any questions should be directed to the BOXR Registration Department at 617-235-2323.



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## ***PART I: INDIVIDUAL APPLICATION***

**Boston Options Exchange Regulation  
 Registration Department  
 101 Arch Street, Suite 610  
 Boston, MA 02110**

I hereby make application for and represent my firm, in connection with its participation in the Boston Options Exchange (BOX.)

**Applicant Name:** \_\_\_\_\_

**CRD #:** \_\_\_\_\_

**Applicant-Firm:** \_\_\_\_\_

**Business Address:** \_\_\_\_\_  
 (Street)

\_\_\_\_\_  
 (City/State) (Country) (Zip Code)

**Telephone:** \_\_\_\_\_ **Fax:** \_\_\_\_\_

**Email:** \_\_\_\_\_

By my signature below, I certify that all of my responses to the foregoing are true and complete. I acknowledge that upon approval of this Application that the Applicant-Firm and its representatives will be bound by the Constitution and Rules of the Boston Options Exchange Group, LLC, and applicable Bylaws and Rules of NASDAQ OMX BX (BSE 'Grandfathered' Rules), as well as all circulars, notices, interpretations, directives and/or decisions adopted by the Boston Options Exchange Group LLC, NASDAQ OMX BX, and Boston Options Exchange Regulation LLC, and that I will abide by the same, as now in effect and as may be amended from time to time.

**Signed:** \_\_\_\_\_  
 (Date)

**Name (Printed):** \_\_\_\_\_

<b>BOXR Registration Department Only</b>
Attested by: _____
Name(Printed): _____
Date: _____



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## **PART II: APPLICANT-FIRM INFORMATION**

Date of Application: \_\_\_\_\_

1. Name \_\_\_\_\_  
(Full and Legal Name of Applicant-Firm)

2. Address \_\_\_\_\_  
(Street) (Telephone)

\_\_\_\_\_  
(City, State, Zip) (Fax Number)

3. Primary Contact \_\_\_\_\_  
(Name) (Title)

\_\_\_\_\_  
(Fax) (Telephone) (Email Address)

(a) Regulatory Contact (If different): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(b) Billing Contact (If Different): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. Type of Entity: Corporation \_\_\_\_\_ Partnership \_\_\_\_\_ LLC \_\_\_\_\_  
LLP \_\_\_\_\_ Other \_\_\_\_\_ (Explain) \_\_\_\_\_

5. Is the Applicant-Firm an entity formed under and subject to the laws of the United States? \_\_\_\_\_

(a) If "no," does the company have a registered subsidiary formed under and subject to the laws of United States? \_\_\_\_\_

1. State the name and address of such subsidiary and primary contact information:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



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(b) Does such subsidiary have a registered options principal (Series 4 license)? \_\_\_\_\_

1. If "yes" state such principal's name, address, and CRD number: \_\_\_\_\_

(Name)

(Address)

(CRD #)

6. Applicant-Firm's Central Registration Depository (CRD) number: \_\_\_\_\_

7. Who is or will serve as the Applicant-Firm's Designated Options Examining Authority?

\_\_\_\_\_

8. Identify the Options Clearing Corporation (OCC) member through which Applicant-Firm will clear transactions on BOX:

\_\_\_\_\_

9. Beneficial Ownership Information: (NOTE: if either part of this question is yes, please provide an organizational chart showing the affiliations)

(a) Does any entity beneficially own, directly or indirectly, an interest of 10% or more in the Applicant-Firm? \_\_\_\_\_

\_\_\_\_\_

(b) Does the Applicant-Firm own a beneficial interest, directly or indirectly, of 10% or more in any BOX participant?

\_\_\_\_\_

\_\_\_\_\_



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10. Supplemental Information for Applicant-Firms. Applicant-Firm is requested to provide the following information:

- a) A copy of the Applicant-Firm's current Form BD.
- b). An organizational chart, including the names of Applicant-Firm's chief executive officer, chief financial officer, chief operating officer, and chief compliance officer.
- c) A description of Applicant-Firm's proposed trading activities on BOX as it pertains to the following: (Include a statement of the extent to which Applicant-Firm currently is conducting such activities as a member of other SRO(s).)

i. *ORDER FLOW PROVIDER:*

Please indicate the nature of such activity (e.g. x % retail orders and/or x % BD orders)

ii. *MARKET MAKER:*

iii. *ORDER FLOW PROVIDER AND MARKET MAKER*

- d) A description of the manner in which Applicant-Firm receives orders from customers such as electronically, via Internet or proprietary communication devices, and the process and/or systems used. Include basic diagrams to illustrate processes if necessary.
- e) A description of the manner in which Applicant-Firm will send orders to the BOX, such as through an internet processing system or through a third party order routing service. Include basic diagrams if necessary.
- f) Please provide a copy of Applicant-Firm's written supervisory procedures and information barrier procedures.

11. *Supplemental Information for Market Maker member Applicant-Firms.* In addition to the information requested above, Applicant-Firms acting as market makers are requested to provide the following information:

A list of:

- i. The office(s) from which Applicant-Firm will conduct BOX market making activity;
- ii. The individual(s) responsible for supervising such trading activity.



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## ***PART III: TO BE COMPLETED BY FIRMS FOR WHICH NASDAQ OMX BX WILL ACT AS DESIGNATED OPTIONS EXAMINING AUTHORITY (DOEA)***

1. A statement as to whether Applicant-Firm has written supervisory procedures in place with respect to the activities identified in Part II, section 10(c) above and, if so, a description of such procedures.

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2. State the date of Applicant-Firm's last examination during which such supervisory procedures were reviewed and by which SRO, and describe what revisions to Applicant-Firm's supervisory procedures, if any, have been made to accommodate BOX Participation.

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3. A list of the persons primarily responsible for supervising options trading activities, including such persons CRD numbers, if applicable.

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4. A copy of Applicant-Firm's most recent "FOCUS Report" (Form X-17A-5) filed with the SEC pursuant to rule 17a-5 under the Exchange Act (the most current Parts I, II and IIA, as applicable).

5. For Applicant-Firms that propose to clear transactions effected on BOX, a copy of the Applicant-Firm's written procedures for assessing and monitoring potential risks, as required by Exchange Rules.

6. A statement indicating whether Applicant-Firm is currently, or has been in the last 10 years, the subject of any investigation or disciplinary proceeding conducted by any Self Regulatory Organization (SRO), or by any federal or state securities or futures regulatory agency or commission, regarding Applicant-Firm's activities that is not disclosed on Applicant-Firm's Form BD. If so, the statement must include all relevant details, including any sanctions imposed.



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7. A statement indicating whether any person listed on Schedule A of Applicant-Firm's Form BD is currently, or has been in the last 10 years, the subject of any investigation or disciplinary proceeding conducted by any SRO, or by any federal or state securities or futures regulatory agency or commission, regarding Applicant-Firm's activities that is not disclosed on a Form U-4 for such individuals. If so, the statement must include all relevant details, including any sanctions imposed. If Applicant-Firm is not a FINRA member, provide a copy of Form U-4 for those individuals on Schedule A of Applicant-Firm's Form BD in those cases where such individuals are subject to Form U-4 reporting.



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## **Part IV: Application For Market Maker Status**

Applicant-Firm's that will apply for Market Maker status must complete the Participant's Application and also provide the supplemental information requested below:

**Date of Application:** \_\_\_\_\_

**1. Name:**

\_\_\_\_\_  
(Full and Legal Name of Applicant-Firm)

**2. Address:**

\_\_\_\_\_  
(Street) (City, State, Zip, Country)

\_\_\_\_\_  
(Telephone) (Fax Number)

**3. Primary Contact:**

\_\_\_\_\_  
(Name) (Title)

\_\_\_\_\_  
(Fax) (Telephone) (Email)

**(a) Regulatory Contact (if different):** \_\_\_\_\_

**4. Applicant-Firm's CRD Number:** \_\_\_\_\_

**5. Trading Location / Trading Representatives / Supervisors:**

Please provide the following information:

- a. List of the locations from which Applicant-Firm will conduct its BOX market making activity;
- b. List all designated trading representatives; and the address(es) from which they will conduct market making or other trading activities.
- c. List individuals responsible for supervising such trading representatives (Responsible Person) and the U.S. based address(es) from which the supervision will take place.



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**6. Trading Representative Qualifications:**

Please provide the following information:

- a. Copy of Form U-4 for each of the trading representatives identified in section 5 above; and
- b. Provide a brief description of the trading representatives qualifications.
- c. Please note that each trading representative must take an examination, submit to a new market maker orientation program (if required by BOXR) and be approved by BOXR.

**7. Supervisory Procedures:**

Please provide a copy of Applicant-Firm's written supervisory procedures for market making activities on BOX.

**8. Applicant-Firm's Capital:**

Please provide the source and amount of Applicant-Firm's capital to support its market making activities on BOX, and the source of any additional capital that may become necessary.

**9. Other Business Activities:**

If the Applicant-Firm will be conducting other business activities at the market making trading location(s), please provide:

- a. A statement describing such activities; and
- b. Copy of "Chinese Wall" procedures.

**10. Authorization:**

The undersigned agrees that he/she is authorized on behalf of Applicant-Firm to make this application to BOX.

The undersigned hereby agrees that the Applicant –Firm will abide by the Constitution and Rules of BOX, and applicable Bylaws and Rules of NASDAQ OMX BX (BSE 'Grandfathered' Rules), as well as all circulars, notices, interpretations, directives and/or decisions adopted by the Boston Options Exchange Group LLC, NASDAQ OMX BX, and Boston Options Exchange Regulation LLC as they shall be amended from time to time.

The undersigned represents that, to the best of my knowledge and belief, the foregoing statements are true and correct.

The undersigned recognizes that Applicant-Firm may be the subject of an investigative consumer report ordered by BOXR, and hereby authorizes and consents to BOXR obtaining such report.

\_\_\_\_\_  
(Signature of Authorized Officer)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Title)