

Date: April 18, 2012  
Re: OCX Rule 404. Acceptable Orders  
Effective Date: April 23, 2012

OneChicago will introduce Market-Maker Wash Trade Prevention (WTP) contingency orders on April 23, 2012. In summary, a WTP contingency order is an Immediate-or-Cancel (IOC) order that will be protected from trading with an opposing quote or order from the same Market-Maker. Details are as follows:

- 1) If a WTP order touches an opposing quote or order from the same Market-Maker (defined in #2 below) at a price within the quoted best bid and ask, both the WTP order and the opposing quote or order will be cancelled. The message on the cancel report will be “Wash Trade Prevention.” If an incoming WTP order touches a quote or order from the same Market-Maker at a price outside the quoted best bid and ask, only the incoming WTP order will be cancelled.
- 2) WTP orders will be considered to be “from the same Market-Maker” if any of the following are true:
  - (A) the WTP order and opposing quote or order are received over the same log-in;
  - (B) the WTP order and opposing quote or order are received over different log-ins, but both log-ins are listed by CBOE under the same trading acronym; or
  - (C) the WTP order and opposing quote or order contain the same SUB-ACCOUNT.
- 3) WTP orders are treated as IOC. As such, they may trade immediately against quotes and orders from other users at or within the quoted best bid and ask, and any remainder will be cancelled. Note that if the incoming WTP order is fully filled against quotes or orders from other users and the user has quotes or orders resting at that price, the resting interest will not be cancelled.
- 4) The WTP contingency will be permitted only on orders with origin of CBOE Market-Maker (origin code “M”) and Non-CBOE Market-Maker (origin code “N”). Orders for origins other than M and N that contain a WTP contingency are not permitted, and such orders will be rejected.

Firms seeking to utilize the Wash Trade Prevention (WTP) contingency orders will need to certify with the CBOE API testing group (312) 786-8060

Any questions can be directed to [marketsurveillance@onechicago.com](mailto:marketsurveillance@onechicago.com) or 312.424.8530.