

Date: October 28, 2014
Re: Rule 615 (Simultaneous Buying and Selling Order)
Effective Date: November 17, 2014

OneChicago, LLC (“OCX”) is issuing this Notice to Members (“NTM”) to clarify the method by which market participants that receive or initiate a buy and sell order for the same account should handle the orders. This NTM provides guidance regarding updated OCX Rule 615, which reads as follows:

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615. Simultaneous Buying and Selling Order

(a) No Clearing Member or, if applicable, Exchange Member or Access Person (including in each case its employees and agents) shall accept simultaneous buy and sell Orders from the same ~~Customer~~ beneficial owner for the same delivery month of a particular Future.

(b) A Clearing Member or, if applicable, Exchange Member or Access Person (including in each case its employees and agents) holding Orders to buy and sell at the same time from different ~~Customers~~ beneficial owners for the same delivery month of a particular Future may enter both Orders into the OneChicago System.

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Upon receipt of a buy and sell order from one account in the same product and expiration, the market participant handling the orders must determine whether the orders were placed on behalf of the same beneficial owner, or if the account number represents the account controller and the orders were in fact placed for different beneficial owners. If the orders were placed on behalf of the same beneficial owner, the market participant handling the orders must not execute the orders, as doing so would result in a wash trade in violation of Exchange Rules.

If the market participant determines that the orders were placed for unique beneficial owners and the accounts share an account number due to common control (*e.g.*, in the case of accounts controlled by an advisor), the market participant has two choices in how to handle the trade. First, the market participant may insert one side into the OneChicago System and wait four seconds before entering the opposite side of the trade. Please see OCX NTM 2012-26. Alternatively, the market participant may report the trade as a block to the Exchange, so long as

the block trade otherwise meets all applicable Exchange Rules regarding block trades. The price at which the trade is posted, regardless of the method of posting (reported or competitively-executed), must be “fair and reasonable” under the circumstances, and will be subject to review by Exchange staff for price reasonability.

Any questions can be directed to marketsurveillance@onechicago.com or (312) 424-8530.