



MARKET INFORMATION CIRCULAR



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Subject: Market Makers Must Populate All Quotation Risk Management Parameters

As of Friday, November 1, 2013, it will become mandatory for market makers to enter values into all four of the quotation risk management parameters for all options classes in which they enter quotes on ISE and ISE Gemini.

These parameters are available for market maker quotes in simple and complex instruments on ISE and in simple instruments on ISE Gemini. Market makers must establish a time frame during which the system calculates: 1) Cumulative Count - total contracts traded; 2) Percentage Count - traded quantity as percentage of total quantity; 3) Delta - long vs. short, evaluated as absolute value put & call; 4) Vega - bought vs. sold, evaluated as absolute value. Market makers must also establish limits for each of these four parameters, and when the limits are exceeded within the prescribed time frame, the market maker's quotes will be removed.

Market makers will be able to set these four parameters on a class-by-class basis. The ISE and ISE Gemini trading system will reject quotes if there are any missing risk management values for an options class.

Entering values into the quotation risk parameters will be mandatory. Market makers who prefer to use their own risk-management systems can enter values that assure the exchange-provided parameters will not be triggered.

Please contact ISE Market Operations with any questions by calling 877-473-9989, or by emailing helpdesk@ise.com.