



Circular number:	ISE: 2017-002 ISE Gemini: 2017-002 ISE Mercury 2017-002	Contact:	ISE Market Regulation
Date:	February 24, 2017	Telephone:	(215) 496 - 6446

Subject: Bid/Ask Differentials for LEAPS

ISE, ISE Gemini and ISE Mercury Rule 803(b)(4) requires market makers to maintain bid/ask spreads no wider than \$5 following the opening rotation and tighter bid/ask spreads before the opening rotation. Additionally, ISE, ISE Gemini and ISE Mercury Rule 506(a) states that bid/ask differential does not apply to options series until the time to expiration is less than nine (9) months.

Currently, these bid/ask spread differentials do not apply to options series with time to expiration of nine months or greater for Competitive Market Makers (“CMMs”) but still apply to Primary Market Makers (“PMMs”) provided that their quotes spread can be double the legal width designated for non-LEAPS series.

Starting on February 27, 2017, the bid/ask spread differentials will not be applicable to options series with time to expiration of nine months or greater for all market makers, including PMMs.

Please contact ISE Market Regulation with any questions.