



Customers and Members of the Trading Community,

As you well know, Cboe has operated at the vanguard of the U.S. options industry, creating new products, promoting education and advocating for vibrant markets since our foundation in 1973. Most recently, we wrote to inform you of [a letter we sent to the Securities and Exchange Commission](#) that seeks to focus our collective efforts on the further development of this vital marketplace.

We are reaching out again to let you know of a decisive legislative victory achieved last night in the U.S. House of Representatives. The Options Market Stability Act, [H. R. 5749](#), passed with a unanimous bipartisan vote of 385-0.

This legislation, co-sponsored by Congressman Randy Hultgren (R-IL) and Congressman Bill Foster (D-IL), aims to facilitate liquidity in options markets by calling on bank regulators to correct certain risk-insensitive capital requirements.

Presently - and we're sure this has not escaped your attention - market-makers who provide liquidity for exchange-listed options [are indirectly constrained by bank capital rules](#) from fulfilling their role in maintaining price stability.

The Options Market Stability Act is expected to modify current bank capital counterparty credit risk requirements that are adversely impacting the options markets by mandating agency rulemaking that considers the actual risk associated with options positions within one year of enactment.

Our teammates in D.C. and Chicago led the industry's efforts to educate legislators about this issue and we are encouraged by the outstanding bipartisan support the bill has received so far. Alongside Congressmen Hultgren and Foster, House Financial Services Committee Chairman Jeb Hensarling (R-TX), House Financial Services Committee Ranking Member Maxine Waters (D-CA) and House Capital Markets Subcommittee Chairman Bill Huizenga (R-MI) were more than willing to engage with the complexities of this vital issue and help ensure its success in the House.

We believe the House vote sends a strong signal that the soundness of centrally-cleared options markets is critical to the overall U.S. capital markets. Our focus now turns to the Senate where we hope corresponding legislation will ensure the Bill becomes law.

In the meantime, we continue to engage the applicable agencies for more immediate regulatory relief and we also continue to implement processes like position compression forums to facilitate liquidity provision by TPHs.

We are proud to be at the forefront of various initiatives to improve and grow the U.S. listed options market, and we will keep you updated with the latest on this issue and others in the months to come.

In the meantime, we will strive to earn your business each and every day.



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