



Symbol and Market Model Change for Cboe VIX Weekly Options

Reference ID: C2018102905

Overview

Effective December 3, 2018, Cboe Exchange, Inc. ("Cboe Options") will make the following changes related to VIX weekly options in Regular Trading Hours (RTH) and Global Trading Hours (GTH) trading sessions.

Details

- All VIX weekly options will be converted to symbol VIXW, applicable in both the GTH and RTH sessions.
- The minimum price increment for all VIXW options series, regardless of price level, will be \$.01, applicable in both the GTH and RTH sessions.
- The matching algorithm for electronic executions in the RTH session will be changed from Pro Rata to:
 - Customer Priority; 50% Market Turner allocation; DPM entitlement; Pro Rata.
 - The Exchange will separately solicit for Market-Makers interested in becoming the VIXW DPM during the RTH session. If the solicitation does not yield a qualified applicant, then the matching algorithm for electronic trades in the RTH session will be as stated in the above bullet, except that the DPM entitlement will not be applied.
- The matching algorithm for electronic executions in the GTH session will not change and will remain Price-Time.
- Complex orders containing both a VIX and VIXW leg will be eligible to execute in COA and COB against other complex auction responses and complex orders.
- Complex orders containing both a VIX and VIXW leg will not be eligible to execute against the individual leg markets. When such an order becomes marketable against the individual leg markets, it will:
 - A) automatically cancel in the GTH session; and
 - B) route for manual handling in the RTH session, unless "Electronic-Only" processing instructions are included on the order, in which case it will automatically cancel.
- Complex orders with both a VIX and VIXW leg will not be eligible for AIM. Such attempts will automatically reject.
- For purposes of class appointments and Market-Maker continuous quoting obligations, VIXW options will be considered as part of the VIX options class.

- Market-Maker QRM risk protections will cause a user's quotes to be cancelled in both VIX and VIXW if the QRM limit is reached in either symbol.

The trading algorithm and trading increments for non-weekly options trading under symbol VIX will remain unchanged in both the RTH and GTH sessions.

All resting GTC orders in VIX weekly options will be canceled by the Exchange after the close of business on November 30, 2018, and can be re-entered in symbol VIXW by the TPH on December 3, 2018. Unless otherwise instructed by email from the executing clearing firm, the Cboe Operations Support Center (OSC) will set routing parameters to deliver all eligible orders to the Cboe Command trade engine for automated handling. Clearing firms wishing to impose more restricted routing parameters must email the OSC at helpdesk@cboe.com.

Additional Information

Questions regarding this subject may be directed to Cboe Market Structure and Functionality ("MSF"). For additional information regarding operational matters, please contact the Cboe Operations Support Center.

We appreciate your business and remain committed to powering your potential with Cboe products, technologies and solutions.

Cboe Market Structure and Functionality

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