

CBOE Regulatory Circular RG16-189

Date: December 6, 2016
To: Market-Maker Trading Permit Holders (TPHs)
From: Business Development Division
RE: Mandatory QRM Settings

Updates CBOE Regulatory Circular [RG15-006](#)

The Chicago Board Options Exchange, Incorporated ("CBOE" or "Exchange") electronic trading functionality includes a Quote Risk Monitor ("QRM") feature that cancels a Market-Maker's remaining quotes, and in some cases orders, when a Market-Maker or Market-Maker TPH reaches any of the risk limits set by the Market-Maker or Market-Maker TPH for the following settings over a specified time interval: 1) contracts traded, 2) cumulative quote percentage traded, 3) number of series fully traded, 4) number of QRM events by acronym, and 5) number of QRM events for a firm.

Beginning Monday, December 12, 2016, QRM will become mandatory for each Market-Maker. Each Market-Maker will be required to establish a minimum time interval and maximum amount for each current QRM feature. QRM settings for that Market-Maker will be systematically prevented from being set outside these boundaries. Once a Market-Maker establishes these boundaries, the Market-Maker must then establish a time interval and risk limit within those boundary settings for each QRM feature.

QRM settings may be updated via the Exchange API; however, QRM boundary settings may be queried but not updated via the Exchange API. All requests to update the boundary settings must be made by the Market-Maker TPH via submission of the proper forms to the CBOE Help Desk. The QRM boundary request form may be found at <https://www.cboe.org/publish/tphforms/cboe-qrm-min-max-update-request.pdf>

Market-Maker TPHs wishing to test this functionality in the Exchange's development environment may contact the CBOE API Group at 312-786-7300 or api@cboe.com.

Additional Information

For additional information regarding QRM, see CBOE Rule 8.18. For additional information regarding operational matters, please contact the CBOE Help Desk at helpdesk@cboe.com or 866-728-2263.