Cboe Options Exchange Announces QCC with an Underlying Security Leg, Improved Pricing Precision on Complex Orders with an Underlying Security Leg

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**Overview**
Cboe Options Exchange, Inc. (“Cboe Options”) is pleased to announce the rollout of two modifications:

1) Qualified Contingent Cross (QCC) transactions will be allowed to include an underlying security leg.
2) Complex orders with an underlying security leg will be allowed to have a price with four decimal places.

Rollout is expected to be completed on September 18, 2018.

Functionality for both of these new features is available on Pulse. Please see [Pulse Release Notice](#) for details.

**QCC with an Underlying Security Leg**

Cboe Options currently allows entry of single and multi-leg QCC paired option orders in non-index options classes. The underlying security portion of the transaction currently must be executed separately.

With the upcoming system enhancement, the underlying security portion of the transaction may be submitted as a leg on the QCC transaction, removing the necessity to execute that portion as a separate trade. The options portion of the transaction will be executed and printed on Cboe Options, and the underlying security portion of the transaction will be processed as a QCT cross on the NYFX TRF by Cowen, a Cboe -identified broker-dealer for electronic transmission of stock orders to stock trading venues (including the stock leg of buy-writes, conversions, reversals, etc., and now QCCs). To be processed electronically, all QCC transactions that include an underlying security leg must comply with the automated stock clearing requirements on Cboe, in particular the inclusion of a valid Market Participant identifier (MPID) or Cboe-assigned Client ID on the order.

Please note that use of the stock leg processing functionality for QCCs is optional. TPHs may also elect to continue processing the stock leg of a QCC separately.
Additional information on QCCs can be found in Cboe Options Rule 6.53(u). QCC reporting requirements can be found in Cboe Options Regulatory Circular RG18-029.

**Four Digit Decimal Price on Complex Orders with an Underlying Security Leg**

Currently all order prices are limited to 2 digits to the right of the decimal. With the upcoming enhancement, the price field on complex orders that include an underlying security leg and that are routed for electronic trading in COA and COB, as well as for AIM and QCC orders that include a stock leg, may include up to four digits to the right of the decimal. This enhancement will also apply to COA and AIM responses for such orders. Note that Cust-to-Cust AIM orders that include a stock leg will allow only 2 digits to the right of the decimal. Any orders with a price that includes more than two decimal places that are routed for manual handling will be cancelled back to the sender.

**Additional Information**

Questions may be directed to Cboe Market Structure and Functionality (MSF). Please contact the Cboe API group to schedule any necessary testing. For additional information regarding operational matters, please contact the Operations Support Center.

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

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