



Multi-Class Spread Orders with a VXXB (iPath Series B S&P 500 VIX Short-Term Futures ETN) Leg

Reference ID: C2018121900

Overview

Cboe Exchange, Inc. (“Cboe Options”) currently lists for trading options classes VXX and VXXB, which are options on iPath S&P 500 VIX Short-Term Futures ETNs. Beginning Thursday, December 20, VXXB options will be eligible for open outcry trading on Cboe Options as a Multi-Class Spread Order with a VIX, VIXW, VXX or VXZ leg.

Details

Rule 24.19 sets forth special open outcry trading procedures for Multi-Class Spread Orders (also referred to as Multi-Class Broad-Based Index Option Spread Orders). For purposes of Rule 24.19, a “Multi-Class Spread Order” is defined as “an order or quote to buy a stated number of contracts of a Broad- Based Index Option and to sell an equal number, or an equivalent number, of contracts of a different Broad-Based Index Option.” Be advised that a Multi-Class Spread Order is limited to two component option series legs. The two component legs may consist of different expirations, different strikes, or different option types (call or put), but one leg must be a buy and the other leg a sell.

The relief provided by Rule 24.19 is available only for certain combinations of classes. Beginning on December 20, any combination of VIX, VIXW, VXX, VXXB and VXZ will be eligible to be submitted as a Multi-Class Spread Order, with 1 VIX contract to 1 VIXW contract to 1 VXX contract to 1 VXXB contract to 1 VXZ contract. See Cboe Options Regulatory Circular RG16-136 for other combinations of classes eligible to be submitted as multi-class spread orders and the open outcry trading procedures for multi-class spread orders.

Note that per Information Memos #42240 and #42242 on the OCC website at <https://www.theocc.com/>, VXX and VXZ options will be maturing as of January 30, 2019 and will be cash-settled.

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 (“OSC”).

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

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