Regulatory Circular 26-017

Date: **October 22, 2026**

Exchanges: Cboe Options

Markets: **Options**

To: **Trading Permit Holders**

Re: **KPI Binary Options – Position Limits, Position Limit Reporting, and CAT Reporting**

Replaces Regulatory Circular RC26-016

Cboe Options will soon list European-style, cash-settled binary options overlying key performance indicators ("KPIs") reported by certain issuers of stock ("KPI Binary Options").[1] This Regulatory Circular provides information related to position limits, position limit reporting, and CAT Reporting.

KPI Binary Options – Position Limits

Position limits for KPI Binary Options are described in Cboe Options Rule 8.36(a)(3), Position Limits for Binary Options. The position limit for KPI Binary Options is 25,000 standard option contracts per expiration and 100 KPI Binary Options contracts equal one standard option contract. Thus, the applicable position limit for KPI Binary Options would be 2,500,000 (25,000 x 100) KPI Binary Options contracts per expiration.

KPI Binary Options – Large Option Position Reporting (LOPR)

KPI Binary Options are subject to LOPR requirements in Cboe Options Rule 8.43, *Reports Related to Position Limits.* Positions of 200 or more contracts on the same side of the market must be reported to the Exchange. Further, for the purposes of reporting pursuant to Cboe Options Rule 8.43(a), 100 KPI Binary Options contracts equal one standard option contract. **Meaning, positions of 20,000 contracts or more of KPI Binary Options, on the same side of the market, must be reported to the Exchange.**

OCC will remain the service provider for LOPR reporting for CCUS[2]-cleared positions. Reportable KPI Binary Option positions will be reported to OCC in the same manner as all other reportable option positions. Below are some answers to frequently asked questions related to LOPR reporting of KPI Binary Option positions.

- OCC introduced a third enumeration for FIXML tag 762 value, "NOC." NOC must be used for all non-OCC cleared listed options.[3] KPI Binary Option positions, which will be cleared by CCUS, will use this enumeration.

[1] See Release No. 34-106659 (October 13, 2026) (Order approving, SR-CBOE-2026-061 Amendment No. 1).
[2] Cboe Clear U.S. LLC ("CCUS").
[3] "OTC" will continue to be used to report reportable over the counter option positions.

- For the purposes of the "*Instrmt*" Report/Component block:
  - Populate Field "*Prod*" with "5" for Equity.
  - Populate Field "*ExerStyle*" with "0" for European.

- For the purpose of the "*Undly"* Report/Component Block:
  - Populate Field "*Sym*" with the KPI Binary Option product's root symbol. It is also identified as the "underlying" in the Cboe Options "KPI Binary Options Series" reference table found here: U.S. Options Market Statistics Reference Data | Cboe.
  - Populate Field "*Qty*" with "1".

OCC has made available LOPR testing for the new Cboe KPI Binary Options. See OCC Information Memo #59741, available here Information Memos - OCC, for more information.

KPI Binary Options – CAT Reporting

Consolidated Audit Trail (CAT) reporting requirements for orders and quotes in KPI Binary Options are the same as those applicable to other options. KPI Binary Options do not create any new CAT-reportable events.

Please note that KPI Binary Option symbol information will initially be available only in the CAT Reportable Options Securities Symbol Master Start of Day (SOD) and End of Day (EOD) files and available on the CAT Reference Data webpage. The information will not be included in the intraday updates, even though they remain CAT-reportable. (The availability of KPI Binary Option symbols in intraday updates may be considered in the future.) For purposes of the CAT Reportable Options Symbol Master file layout, KPI Binary Options will have an *optionKind* field value of 'EVENT' and a *primaryDeliverable* field value equal to the OSI root symbol for the KPI option class (e.g., KAAPL and not AAPL). Please see the Reference Data page of the CAT website for more information.

Firms should refer to the https://www.catnmsplan.com/technical-specifications/im for applicable reporting requirements and additional information regarding CAT options symbol reference data. Testing opportunities for CAT-related ingestion and linkage for KPI Binary Options transaction data will be available in the CAT CT environment beginning October 19, 2026. Firms are encouraged to complete testing in advance of the planned launch. Any questions on CAT-related reporting may be directed to the FINRA CAT Helpdesk at help@finracat.com or 888-696-3348. Additional information regarding KPI Binary Options is available in the Cboe KPI Binary Options FAQs.

Additional Information

Any questions regarding this Regulatory Circular may be referred to Regulatory Interpretations at RegInterps@cboe.com or 312.786.8141.