

## Regulatory Circular RG13-083

**Date:** June 5, 2013

**To:** Trading Permit Holders  
**From:** Business Development Division  
**RE:** New Order Designations

CBOE is planning to file rules in the near future that will allow, pending regulatory approval, the introduction of two new order designations and an additional User Handling Instruction. Although implementation dates have not yet been defined, this circular will describe the basic points of each. A future circular will announce the start date of these order designations.

### SPX “Combo” Order

An indicator will be added for required use on SPX “Combo” orders. A “Combo” order is a complex (multi-leg) order that includes legs comprising a “combination” as a hedge. The “combination” is defined as two legs, one to buy(sell) a number of calls and the other to sell(buy) the same number of puts with the same expiration month and strike price.

Orders marked as “Combo” will be required to include at least three legs, two of which must comprise a “combination” as described above.

“The “Combo” order type will be permitted only in classes SPX, SPXW and SPXQ.

SPX “Combo” orders will be required to be sent with the new “Combo” identifier. Orders that are marked as an SPX “Combo” type but do not meet all above requirements will be rejected. (Please refer to Rule 24.20 for information on SPX Combo Orders).

FIX tag 21080 (OrdEntryType) will be used to designate this order type. A value of “2” in the tag will indicate SPX “Combo”.

There are no API changes for CMI and CMI2 related to this order type. This new order type will be defined in the CMI Extensions field as “ORDTYPE=2”

### “Tied to Stock” Order

An indicator will be added for required use on option orders that are tied to a stock trade. This designation may be applicable to simple and complex orders and must be included on any option order that is part of a strategy that includes an underlying component that may have been represented separately. (QCC) Qualified Contingent Cross orders should be modified to always include the indicator.

FIX tag 21080 will be used to designate this order type. A value of “1” will indicate “Tied to Stock”.

In CMI and CMI2, this new order type will be designated in the Extensions field as “ORDTYPE=1”

**Do-Not-COA Indicator**

A new User Handling Instruction, “Do-Not-COA”, will be made available for use on complex orders. This instruction will cause the order to bypass COA (Complex Order Auction) processing upon initial entry into the CBOE Command trade engine. If such a complex order is routed to a PAR terminal, the instruction will no longer be in effect, and the order will be subsequently eligible for COA.

FIX tag 21081 (OrdEntryType) will be used for this indicator. A value of “2” in the tag will indicate “Do-Not-COA”.

In CMI and CMI2, the indicator will be defined in the Extensions field as “USRINST=1”.

**Additional Information:**

Questions regarding the operational topics in this circular may be directed to:

- The CBOE Help Desk at 866-728-2263 or [helpdesk@cboe.com](mailto:helpdesk@cboe.com)
- Requests for CBOE API specifications and testing may be directed to the CBOE API group at CBOE API Group at [api@cboe.com](mailto:api@cboe.com) or (312) 786-7300.
- Regulatory questions regarding this matter may be directed to the Regulatory Interpretations and Guidance team at [reginterps@cboe.com](mailto:reginterps@cboe.com) or (312) 786-8141.