

Regulatory Circular RG15-113

Date: August 6, 2015

To: Trading Permit Holders
From: Business Development Division
RE: Cash Price Complex Orders (Updated)

Pursuant to Rules 6.41.01 and 24.8.01, when a customer¹ submits to a Trading Permit Holder Floor Broker for open outcry handling a complex order with a total order cash limit price,² that complex order may be represented and quoted in open outcry with a total cash price. Due to the complexity of these orders, there may be instances where the pricing of the legs for execution would result in a difference between the total execution price and the total order cash limit price. In such instances, the Floor Broker representing the order must resolve the difference in a manner that provides price improvement to the customer (i.e., the broker must determine leg prices that correspond to a total purchase (sale) price that is less (greater) than the total order cash limit price).

Orders represented by a Floor Broker with a cash limit price must include the total cash limit price in the "COMMENT" field when entered by a Floor Broker via PULSe or FBW/FBW2. The format must begin with "C," followed immediately by the cash limit price, followed immediately by "CR" for credit or "DB" for debit. For example, an order to buy for a total cash debit of \$1,875,745 must include "C1875745DB" in the "COMMENT" field. An order to sell at a total cash credit of \$1,875,745 must include "C1875745CR" in the "COMMENT" field. The total cash price must be entered without any commas, spaces or other delimiter (e.g., a total cash debit of \$1,875,745 must be entered as 1875745). If the user enters additional data in the COMMENT field prior to and/or following the cash price information, a blank space must be included immediately prior and/or after the cash price information (e.g., ".40 C1875745DB ABC"). Cash spread order price information in the COMMENT field will be used in lieu of information contained in any other price field for purposes of recording the total order cash price. Trading Permit Holders entering complex orders with a total cash limit price other than via PULSe or FBW/FBW2 must contact the Regulatory Interpretations and Guidance team to obtain order format requirements.

The total cash limit price is not contained within the actual price field on the PAR display. Therefore, before a cash limit price complex order is routed to PAR, the TPH should contact the PAR Operator and provide the terms of the order.

Additional Information:

- See Rules 6.41.01 and 24.8.01 and rule filing SR-CBOE-2015-010 for additional information regarding cash price orders.
- Questions regarding operational matters may be directed to the CBOE Help Desk at helpdesk@cboe.com or 866-728-2263.
- Questions regarding regulatory matters may be directed to the Regulatory Interpretations and Guidance Hotline at reginterps@cboe.com or 312-786-8141.

¹ For purposes of Rule 6.41.01 and 24.8.01 only, the term "customer" means any client of the Trading Permit Holder whether or not that client is a public customer or a broker-dealer (including a market-maker) and regardless of applicable order origin code.

² Please note that the total order price must be a specified cash limit price. A market price is not permitted.