

CBOE Regulatory Circular RG17-142

Date: October 13, 2017

To: Trading Permit Holders and Market-Maker Terminal Vendors

From: CBOE Global Derivatives

RE: Enhancements to Market-Maker Trade Notice Message
Enhancement to FIX Add Floor Trade Message

This Regulatory Circular updates Regulatory Circular RG14-172

A Market-Maker Trade Notice (“MMTN”) is generated by Chicago Board Options Exchange (“CBOE”) systems when a PAR Operator completes an open outcry trade endorsement process and a Market-Maker is a contra party on the transaction. The message is made available to interested Market-Makers via CMI2 and FIX.

Effective November 27, 2017, the MMTN message will be enhanced to include two additional pieces of information:

- 1) time of execution recorded by the PAR Operator (i.e., the timestamp that is created when the PAR Operator presses the Trade or Tape button – see CBOE Regulatory Circular RG14-096); and
- 2) an Execution Price (“EP”) alert code, if applicable.

The EP alert code is a numeric value that is generated when a trade is executed by a PAR Operator while certain conditions exist. Note that multiple EP alert codes may be included on a single MMTN message.

As described below, there are multiple conditions when an EP alert code will be included on the MMTN message. Some examples are if the transaction is priced **at or through** the CBOE public customer book, **through** the CBOE best bid or offer (“CBOE BBO”), and/or **through** the national best bid or offer (“NBBO”), each at the time the PAR Operator pressed the Trade or Tape button.

Please also note that these alerts are provided only as informational data based on a comparison of the transaction price to CBOE public customer order book, CBOE BBO, and the NBBO based on specific timestamps created when the PAR Operator presses certain buttons. The existence of an alert or lack of an alert for a particular trade does not mean that a rule violation has or has not occurred.

This new EP information will be located in FIX tag 21098 or the CMI2 Extensions field:

FIX Example: A21098=12 13(20141006-13:20:05.000), where ‘12’ and ‘13’ represent the EP alert codes and “13:20:05.000” represents the time of execution.

CMI2 Example: TT_AT=9 10(20141002-10:41:06.000), where ‘9’ and ‘10’ represent the EP alert codes and “10:41:06.000” represents the time of execution.

The EP alert codes are defined below. Please note that the alert codes are from the perspective of the PAR Operator (not the contra-side trader).

- 2 = *OPPOSITE SIDE NBBO TRADE-THROUGH*: Execution price **through** NBBO on side opposite the PAR Operator at Trade or Tape button time.
- 6 = *OPPOSITE SIDE BBO TRADE-THROUGH*: Execution price **through** CBOE BBO on side opposite the PAR Operator at Represent, Trade, or Tape button time.
- 7 = *OPPOSITE SIDE BOOK TRADE-THROUGH*: For simple orders, execution price **at or through** CBOE public customer book or **through** non-customer order book on side opposite the PAR Operator at Trade or Tape button time. For complex orders, execution price on any leg (A) **through** public customer or non-customer order book on side opposite the PAR Operator at Trade or Tape button time, or (B) **at** public customer book when public customers are on the BBO in all legs.
- 9 = *BBO TRADE-THROUGH, INVALID QUOTE*: Execution price **through** CBOE BBO on the same or opposite side of the PAR Operator at Represent, Trade, or Tape button time while an invalid quote is present.
- 10 = *NBBO TRADE-THROUGH, INVALID QUOTE*: Execution price **through** NBBO on the same or opposite side of the PAR Operator at Trade or Tape button time while an invalid quote is present.
- 11 = *SAME SIDE BOOK TRADE-THROUGH*: For simple orders, execution price **at or through** CBOE public customer book or **through** non-customer order book on the same side as the PAR Operator at Trade or Tape button time. For complex orders, execution price on any leg (A) **through** public customer or non-customer order book on the same side as the PAR Operator at Trade or Tape button time, or (B) **at** public customer book when public customers are on the BBO in all legs.
- 12 = *SAME SIDE NBBO TRADE-THROUGH*: Execution price **through** NBBO on the same side as the PAR Operator at Trade or Tape button time.
- 13 = *SAME SIDE BBO TRADE-THROUGH*: Execution price **through** CBOE BBO on the same side as the PAR Operator at Represent, Trade, or Tape button time.
- 14 = *OPPOSITE SIDE NON-CUSTOMER COB TRADE-THROUGH*: Net execution price **through** non-public customer complex order book on side opposite the PAR Operator at Trade or Tape button time.
- 15 = *SAME SIDE NON-CUSTOMER COB TRADE-THROUGH*: Net execution price **through** non-customer complex order book on same side as the PAR Operator at Trade or Tape button time.
- 16 = *OPPOSITE SIDE CUSTOMER COB TRADE-THROUGH*: Net execution price **at or through** public customer complex order book on side opposite the PAR Operator at Trade or Tape button time.
- 17 = *SAME SIDE CUSTOMER COB TRADE-THROUGH*: Net execution price **at or through** public customer complex order book on same side as the PAR Operator at Trade or Tape button time.

- 18 = *OPPOSITE SIDE COMPLEX LEG TRADE-THROUGH*: Execution price on a leg of a complex order **through** CBOE BBO for that leg on the side opposite the PAR Operator at Trade or Tape button time.
- 19 = *SAME SIDE COMPLEX LEG TRADE-THROUGH*: Execution price on a leg of a complex order **through** CBOE BBO for that leg on the same side as the PAR Operator at Trade or Tape button time.

In cases where one leg of a complex order generates an EP alert code, the code will be included on all legs of the MMTN message.

The PAR Operator's time of execution will appear on all MMTN messages (i.e., those with and those without an EP alert code).

FIX example with time of execution only: A21098= (20141006-13:20:05.000) where "13:20:05.000" represents the time of execution.

CMi2 example with time of execution only: TT_AT= (20141002-10:41:06.000) where "10:41:06.000" represents the time of execution.

Trade Time on Add Floor Trade Message

A **Trade Time** field on the **Add Floor Trade** message is currently only available over the CMi2 API. With this enhancement, a **Trade Time** field will be available on the FIX API **Add Floor Trade** message. The FIX API considers this field optional. However, if populated, the **Trade Time** field should contain the time the Market-Maker verbally consummated the trade in open outcry.

Trade Time is sent in FIX Tag 5179 or in the CMi2 "Millis Timestamp" field of the **Add Floor Trade** Message.

Detailed message specifications related to both enhancements can be found in API documents at <https://systems.cboe.com/>. These enhancements are currently available for testing in CBOE's API test environment. TPHs are encouraged to schedule testing of these enhancements. Please contact API@cboe.com to schedule testing.

Additional Information:

- Questions regarding testing may be referred to the CBOE API group at API@cboe.com or 312-786-7300.
- Questions regarding operational matters related to this circular may be directed to the CBOE Help desk at helpdesk@cboe.com or 866-728-2263.
- Questions related to regulatory matters may be directed to CBOE Regulatory Interpretations at reginterps@cboe.com or 312-786-8141.