



Cboe Options Exchange PAR Names Later Feature Release

Reference ID: C2019041001

Overview

On April 15, 2019, the Cboe Options Exchange (“Cboe Options”) will introduce Names Later, a new PAR feature. A description of functionality and instructions are provided below. Note that existing reporting requirements will not change with this feature. The reporting requirements will be detailed in an upcoming regulatory circular.

Description

The Names Later feature will allow a PAR Operator to send time and sales reporting trade information to Cboe Options immediately and submit the contra-party information later. Currently, both the time and sales report and the subsequent contra-party information report must each be submitted to Cboe Options within 90 seconds under Exchange Rule 6.51. The 90-second requirements will not change with the launch of the Names Later feature; however, Cboe Options anticipates submitting a rule change filing to the SEC in the near future to propose an increase to the time for reporting certain required trade information.

Currently when the <TRADE> button is pressed on PAR, a PAR Operator must input certain trade information (including contra-party information) and press the <ENDORSE> button for the trade to be reported to Cboe Options. This functionality will continue to operate as it does today. The Names Later feature will offer an alternate approach to trade reporting. A new button labeled <NAMES LATER> will be displayed on an order after the <TRADE> button is pressed. Once the <TRADE> button is pressed, a PAR Operator who wants to use the Names Later feature will input the trade information (except for the contra-party information), then press the <NAMES LATER> button. When the <NAMES LATER> button is pressed, a time and sales report will be submitted to Cboe Options. The PAR Operator will then input the contra-party information and press the <ENDORSE> button to report the remaining information to Cboe Options.

A new Names Later icon has also been added to the left side menu of the PAR screen. A numeric value will appear on the icon to indicate the number of trades awaiting endorsement.

Instructions

A PAR Operator may initiate Names Later as follows:

1. Select an order and adjust the price and quantity.
 - a. The <Names Later> Button will be enabled following a <Trade> button press.
2. Press the <Names Later> button.
 - a. The last sale will be disseminated. The customer fill report, clearing records, and MMTN will not be disseminated until the endorsement is complete.
 - b. An interactive confirmation box and message will be displayed.
 - c. The traded order will be transitioned to the Names Later page.
 - d. The numeric value on the Names Later icon will update.
3. Press the Names Later icon in the left side menu of the PAR screen to access the Names Later page.

This feature will be available for all transactions including simple and complex orders, as well as orders where the crossed and split price functionality is used.

The PAR <No Tape> button remains available and must be used on PAR Operator-to-PAR Operator trades. In order to avoid duplicate trade reporting, a PAR Operator who is a contra-party on a trade with a PAR Operator who is responsible for reporting a trade for time and sales reporting must press the <NO TAPE> button after the <TRADE> button press. Communication between PAR Operators to confirm the use of the No Tape feature in such circumstances is necessary.

Names Later Page

The new Names Later page is displayed by pressing the Names Later icon in the left side of the menu. Trades on this page will be listed with the most recent transaction displayed at the top. To endorse a trade:

1. Select the trade.
 - a. The market data quadrant will be empty.
 - b. The trade price is not editable.
2. Select the contras, adjust the contra quantities as needed, and press “Endorse” button.
 - a. The traded quantity may be decreased and the remainder may be endorsed separately, *subject to regulatory requirements*.
 - b. Trades that have not been fully endorsed will remain pending on the Names Later page.
 - c. The Names Later icon count will decrement as trades are fully endorsed.
3. **Important: The 90-second count down timer will operate on a pending Names Later trade just as it does on all orders after the <Trade> button has been pressed.**

Training

The Cboe Trading Floor Operations group will contact each TPH PAR Operator to schedule individual or group training sessions. As always, these training sessions may be used for review of this new feature as well as any other PAR concerns.

Additional Information

Questions regarding regulatory matters may be directed to the Regulatory Interpretations team.

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

Trading Floor Operations

312.786.8580

FloorOps@cboe.com

Regulatory Interpretations

312.786.8141

reginterps@cboe.com