



Cboe Options Support for Solicitation Auction Mechanism (SAM) Auctions Postponed

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Overview (UPDATED)

Cboe Options will add support for SAM Auctions on the EDGX Options ("EDGX") Exchange. The effective date has been postponed until a future date, **pending regulatory approval**. The new effective date will be communicated in a future notice.

This enhancement is in preparation for the migration of Cboe Options Exchange ("C1") to Bats technology.

Technical Details

The SAM auction is an electronic crossing mechanism, similar to AIM, which allows an All-Or-None allocation to solicited, but not facilitating, contra order(s).

The initiating agency-side order must include a minimum of 500 contracts, and be submitted with a contra-side order(s) totaling an equal number of contracts. A maximum of ten contra-orders will be accepted per order. The price on the contra order(s) must be at or inside the local BBO and must improve the price of any local customer.

SAM orders can optionally include the ISO flag, which will allow the auction to commence outside the displayed price of away markets. It is the responsibility of the initiating member to clear away markets that are priced better than the contra order's price.

Initiating SAM Orders

A SAM auction can be initiated by submitting a two-sided `New Order Cross` message using either FIX or Binary Order Entry (BOE) protocol and setting `CrossType (FIX Tag 549) = '3'`.

Early Termination and Execution

Opposite side orders received after the start of the auction will **not** cause early termination but may be eligible to trade with the agency-side order at the end of the auction. At the auction's conclusion, the agency order will execute against the contra order(s) unless the full quantity of the agency order can be satisfied by any combination of: (A) better-priced displayed and non-displayed (reserve) orders and auction responses; and (B) displayed customer orders equal to the contra order's price. In such cases

where allocation is to responses and/or orders other than the contra order, allocation is generally pro-rata with customer priority at a given price.

Testing Opportunities

Testing of the new auction functionality is currently available in the EDGX Options certification environment.

Additional Information

For more information, refer to the following technical specifications:

- [US Options Auction Process Specification](#)
- [US Options FIX Specification](#)
- [US Options BOE Specification](#)

Please contact the Cboe Trade Desk, for support or with any questions. Additionally, you may refer to the C1 integration website for more details at <http://batsintegration.cboe.com/c1>.

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

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