



# Cboe Options to Introduce Electronic Related Futures Cross Order Type

Reference ID: C2020121700

## Overview

**Applicable Cboe Exchange:** Cboe Options

**Effective January 19, 2021**, Cboe Options (the “Exchange”) will begin supporting electronic related futures cross (RFC) orders via FIX and BOE protocols.

On the effective date, brokers will be able to enter the new paired RFC order type which will execute electronically as an unexposed cross. RFC orders may only be used to execute VIX/VIXW complex orders comprised of an option combo order coupled with a contra-side order or orders totaling an equal number of option combos. A VIX/VIXW option combo order is a two-legged order with one leg to purchase (sell) VIX/VIXW calls and another leg to sell (purchase) the same number of VIX/VIXW puts with the same expiration date and strike price.

An RFC order must represent the option portion of an exchange of option contracts for related futures positions, pursuant to which the participants are “swapping” VIX options positions with VIX futures positions that have similar levels of market exposure. A participant buying (selling) VIX option combos via RFC must also sell (buy) related futures on CFE via the CFE Block Trade/ECRP functionality.

## Electronic RFC Order Details

- RFC orders will execute immediately upon entry if they satisfy the same pricing requirements as all other complex orders on the Exchange, with the additional requirement that no leg may trade outside the NBBO or at the same price as a resting Priority Customer order.
- The minimum size for RFC orders = 1.
- RFC orders will be allowed during the Regular Trading Hours (RTH) and Global Trading Hours (GTH) sessions beginning at 3:00 a.m. ET and ending at 4:15 p.m. ET each trading day/session

## Submission of Electronic RFC Orders

TPHs utilizing RFCs will be required to follow the FIX or BOE protocols by submitting a two-sided New Order Cross Multileg message with *CrossType* (FIX Tag 549) = 5.

## **Submission of Futures Position Files**

TPHs utilizing RFCs will be required to upload their related futures cross positions via the Cboe Customer Web portal by the end of the trading day during which the RFCs were submitted.

## **Report Updates**

- The Options Trade Data Report and Trade Detail file will be updated to include the new 'RFC Agency' and 'RFC Contra' values in the Auction Role column, when applicable.
- The C1 Volume Across All Channels report will be updated to include a new 'RFC' column, inserted before the 'TOTAL' column, in which RFC volume will be reported.
- Execution Reports will now support a new 2<sup>nd</sup> character value of 'F = RFC' for the *TradeLiquidityIndicator* (FIX Tag 9730) field.

## **Cboe Applications**

Upon the effective date, Cboe Silexx will support RFC orders.

## **Testing Opportunities**

This new functionality is currently available for testing in the C1 certification environment.

## **Additional Information**

The associated rule filing may be viewed at [SR-CBOE-2020-060](#). For additional technical information, please refer to the following updated specifications:

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

Please contact the Cboe Trade Desk or your Business Development contact for support or with any questions.

We appreciate your business. Our trading community inspires and drives our mission of defining markets.

### **Cboe Trade Desk**

913.815.7001

[tradedesk@cboe.com](mailto:tradedesk@cboe.com)

### **Cboe Operations Support Center**

866.728.2263

[osc@cboe.com](mailto:osc@cboe.com)