



Update - CFE Announces Quoting Interface and Risk Reset Functionality Launch Date for Non-TAS Contracts

Reference ID: 2020062500

Overview **(UPDATED)**

[As previously announced](#), Cboe Futures Exchange, LLC ("CFE") introduced new Quoting Interface functionality using the existing Binary Order Entry ("BOE") protocol for CFE Trade at Settlement ("TAS") contracts effective May 3, 2020 for business date May 4, 2020.

The Quoting Interface will be available for all CFE contracts, including non-TAS contracts, effective **July 26, 2020** for business date July 27, 2020. CFE is pleased to announce that testing of the Quoting Interface for non-TAS contracts is now available in the certification environment. Testing in the certification environment of the Quoting Interface for TAS contracts, implemented April 21, 2020, also continues to remain available.

The Quoting Interface may be used to enter or update one or more quotes for the full term structure in a futures product as well as to enter orders. Any CFE Trading Privilege Holder ("TPH") has the option to use the Quoting Interface by obtaining one or more quoting match capacity allocations.

Concurrent with the initial phase of the Quoting Interface, the BOE protocol risk functionality was enhanced to include new message types which allow a risk reset to occur without sending a new order or quote. In addition, the ODROP protocol functionality was enhanced to provide in real time all update messages related to the submission and acceptance of quotes. Both of these enhancements are also discussed below.

This notice also provides further detail below regarding how the message limit for test symbols is applied.

New Quoting Interface Specific BOE Message Types

Several new message types have been introduced to the US Futures BOE protocol in support of the Quoting Interface. These message types are only be allowed on BOE quoting match capacity allocations.

Member to Cboe

- Quote Update

Cboe to Member

- Quote Update Acknowledgement
- Quote Update Rejected
- Quote Restated

- Quote Cancelled
- Quote Execution
- TAS Quote Restatement
- Variance Quote Restatement

A maximum of 20 quote updates are allowed in each `Quote Update` message. Quotes are only allowed in outright (non-spread) futures. While quotes are not to be allowed to persist across multiple trading days, quotes persist over multiple trading segments for the same business date during a holiday schedule. Multiple levels of depth may be quoted by using either multiple EFIDs on a single quoting match capacity allocation or the same EFID on multiple quoting match capacity allocations. Match Trade Prevention may not be specified on the `Quote Update` message, but it may be defaulted at the quoting match capacity allocation level to either Cancel Newest, Cancel Oldest, or Cancel Both.

Message rate limits on the new BOE quoting match capacity allocations are set at 10,000 messages/second and cannot be raised, but the limit can be lowered based on customer request.

A *QuoteUpdateID* is required to be assigned by the TPH on every `Quote Update`. The *QuoteUpdateID* is echoed back on every quote-related response message from the Exchange. Optional bitfields are not supported for any quote response messages.

Quote Updates priced at or through the prevailing best bid/offer in the market result in an execution. Aggressive quote updates execute up to their limit price, unless rejected because the limit price exceeds the applicable risk limit percentage.

TPHs must certify with the CFE Trade Desk in the CFE certification environment before they will be permitted to send `Quote Update` messages.

An unattended certification may be completed via the [Customer Web Portal](#) by selecting the “Futures Quoting Interface” script. Alternatively, TPHs may schedule an attended certification by contacting the CFE Trade Desk.

New Risk Reset Functionality

Under previous CFE risk management functionality, if execution rate limits were reached or self-imposed lockouts were issued via `Cancel Order` or `Purge Orders`, then existing orders or quotes were cancelled and inbound quotes and orders were rejected. Previously, in such cases TPHs were required to send the *RiskReset* field on the next order message. In conjunction with the previous introduction of the Quoting Interface, CFE introduced a new `Reset Risk` message type in BOE that allows for risk to be reset without having to send a new order or quote. A corresponding `Reset Risk Acknowledgement` was also added to provide an affirmative response confirming risk was reset and new orders and quotes may be sent.

This new Risk Reset functionality is available to all BOE users and is not be limited only to those using the Quoting Interface.

Enhanced ODROP Protocol Functionality

As part of the previous Quoting Interface rollout, CFE enhanced the ODROP protocol functionality available to Clearing TPHs and other TPHs on CFE. In addition to providing real-time order activity updates, the ODROP protocol now also provides all update messages related to the submission and acceptance of quotes in real time.

Prior to the launch of the Quoting Interface for all CFE contracts, TPHs currently utilizing ODROP should review their existing ODROP session configurations to account for the potential of quoting activity appearing on these existing ODROP sessions.

Quoting Match Capacity Allocation Fees (UPDATED)

The monthly fees for each quoting match capacity allocation are as follows:

Service	Quantity	Monthly Fees (per allocation) For June 2020 – July 2020	Monthly Fees (per allocation) August 2020 and Subsequent Months
Quoting Match Capacity Allocation	1	\$550	\$1,100
	2 to 4	\$900	\$1,800
	5+	\$1,200	\$2,000

Rollout Schedule (UPDATED)

Milestone	Availability Date
Certification Launch ODROP Enhancement/Quoting Interface/Risk Reset - for CFE TAS and Non-TAS Contracts	Currently available
Production Launch for CFE TAS Contracts Only	May 3, 2020 Currently available
Production Launch for All CFE Contracts (Including Non-TAS Contracts)	July 26, 2020

Testing Opportunities (UPDATED)

The new Quoting Interface, risk reset functionality, and ODROP compatibility with quotes is currently available for testing **all contract types (TAS and non-TAS)** in the CFE certification environment.

The CFE will schedule multi-segment holiday trading sessions in the certification environment per the following schedule. The scheduling of multi-segment trading sessions is aimed to provide opportunities to test the persistence of quotes between trading segments. Quotes that are carried across multiple trading sessions will be restated using the Order Acknowledgement message as described in the 'Carried Order Restatements' section of the US Futures BOE Specification.

The environment will observe this schedule per the following dates:

- ~~March 9th (simulated Monday holiday)~~
- ~~March 18th (simulated Wednesday holiday)~~
- ~~April 1st (simulated Wednesday holiday)~~

- ~~April 20 (simulated Monday holiday)~~
- ~~April 27th (simulated Monday holiday)~~
- ~~May 11th (simulated Monday holiday)~~
- ~~May 18th (simulated Monday holiday)~~
- June 26th (simulated Independence Day, 2020 holiday)

Holiday testing schedules are not reversible. TPHs will need to schedule testing opportunities around that schedule to test for trading days with a normal trading schedule.

Additional Detail Regarding Test Symbol Usage (NEW)

TPHs are currently allowed to send up to 10 messages per second (consisting of quotes and/or orders) in all test symbols combined at any time that the platform is accepting messages in test contracts. This limit applies separately with respect to each match capacity allocation utilized by a TPH. If for example a TPH has two match capacity allocations, the TPH could send up to 10 messages per second in all test symbols combined through each of those match capacity allocations. This limit functions in the same manner as an Order Rate Limit as described in CFE Rule 513A(h). As further described in Rule 513A(h), all messages are counted for purposes of calculating the limit (including any new order, each quote within a bulk message, any order or quote modification, and any cancel), but when the limit is reached certain cancels are still allowed to go through.

Additional Information

TPHs that have certified with the CFE Trade Desk may request quoting match capacity allocations via the Logical Port Tool on the Cboe Web Portal.

Refer to the following technical specifications for additional details.

- [US Futures BOE Specification](#)
- [US Futures Risk Management Specification](#)

Please contact the CFE Trade Desk for support or with any questions.

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

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