



## March 2020 Electronic Compression Forum and QCC Support for SPX and SPXW Compression Orders; Remote Town Hall to be Held March 26, 2020

Reference ID: C2020032600

### Overview

#### **Applicable Cboe Exchange:** Cboe Options

Pursuant to Rule 5.24, the Cboe Exchange, Inc. ("the Exchange") can hold "electronic compression forums" according to an Exchange determined schedule to facilitate closing transactions in series of S&P 500 Index options (i.e., SPX and SPXW).

This notice details the schedule and process for the end of March 2020 electronic compression forums, including the adoption **effective March 27, 2020** of Cboe's QCC functionality to support the execution of SPX and SPXW electronic compression orders.

### Electronic Compression Remote Town Hall

A remote town hall on electronic compression will be held on March 26, 2020 at 4:15 pm CT. Please use the following information for access:

Meeting URL

[https://bluejeans.com/473952516?src=join\\_info](https://bluejeans.com/473952516?src=join_info)

Meeting ID

473 952 516

Want to dial in from a phone?

Dial one of the following numbers:

+44.203.608.5256 (UK (London))

+1.408.317.9254 (US (San Jose))

(see all numbers - <https://www.bluejeans.com/numbers>)

Enter the meeting ID and passcode followed by #

Connecting from a room system?

Dial: bjn.vc or 199.48.152.152 and enter your meeting ID & passcode

## **Important Notes**

- **The relief afforded by this rule will only be in place until May 15** (unless extended) and will apply only while Cboe is operating in an all-electronic manner.
- Electronic SPX and SPXW compression executions must be closing only.
- In addition to the spread information that has historically been provided, a series-by-series match file for **all strikes of 3100 and above expiring in the month of April 2020** will be provided to TPHs that submit compression-list positions and select “unmask all”. Currently, the mechanism for providing these files will be e-mail. The Exchange may adjust the strikes and expiration as deemed necessary and will inform participants via electronic notification in such case.
- Executions will be in the form of unexposed crosses, as detailed below.
- For TPHs that have not already gained access to the [Compression Forum Manager site](#), it is imperative that you request access soon as possible to ensure timely access. Please reach out to Cboe Membership Services for additional assistance.
- Per the existing process, Cboe will distribute a list of electronic compression contacts for each TPH to all compression forum participants. Please provide the name, e-mail address, and phone number(s) for the appropriate electronic compression contact by emailing this information to [CFM\\_Admin@cboe.com](mailto:CFM_Admin@cboe.com).

## **QCC Functionality Support for Execution of SPX, SPXW Compression Trades**

**Effective March 27, 2020**, Cboe’s QCC functionality will be adapted to support the execution of SPX and SPXW electronic compression orders.

Participants who are party to a compression trade must:

- agree on terms of a compression trade in a similar manner as they do for open outcry compression trades; and
- have a broker submit both sides of the trade to the Exchange using the paired QCC message type.

Once the paired order is received by the Exchange, the primary and contra orders will execute immediately, and fill reports, drop copies, OPRA trade information, and clearing records will be automatically generated. The paired order must include a primary/agency side order and up to 10 contra orders within a single transaction. There is no minimum quantity requirement for electronic compression orders. The total quantity of contra-side orders, collectively, must equal the primary order. The execution price must be in standard increments related to the option or strategy. Additionally, the execution price must be at or inside the BBO and better than the price of any priority customer order resting in the book (if the paired order is single-leg), and must be at or inside the SBBO or better than the SBBO if there is a priority customer on any leg of the SBBO, and better than the price of a priority customer complex order on the COB (if the paired order is multi-leg).

Electronic compression orders may be submitted via either FIX or BOE protocol and are also supported via the Cboe PULSe application.

## Schedule

An electronic compression forum will run during **regular and global trading hours** beginning at 2:00 am CT March 27, 2020 and ending at 3:15 pm CT on March 31, 2020. Compression executions may take place at any time during the electronic compression forum. TPH compression-list positions should be submitted utilizing the existing [Compression Forum Manager site](#) and are due by 6:00 pm CT March 26, 2020 per the schedule below. TPH compression list positions will similarly be due by 6:00 pm CT on March 27, 2020 and March 30, 2020 unless the Exchange provides notification otherwise via email.

Time (CT)	Action
6:00 pm	TPH compression-list positions due
By 6:10 pm	Cboe will electronically provide each TPH that submitted compression-list positions their respective individualized file
By 6:30 pm	TPHs unmask requests due, provided unmask all or by size was not selected. <b>Note that any selection other than unmask all will, due to technical limitation, prohibit receiving a series-by-series match file.</b>
By 7:00 pm	Cboe will publish the possibles-list to the Cboe website and provide each TPH that submitted compression-list positions their respective match file (including the series-by-series match file which will be sent separately via email)

## Additional Information

Please click [here](#) for details on gaining access to and use of the Compression Forum Manager.

Please click [here](#) for information on unmasking preferences. **Please note, any selection other than unmask all will, due to technical limitation, prohibit receiving a series-by-series match file.**

Please refer to the Cboe US Options specifications below for technical details:

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

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

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

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