



## Cboe to Enhance Market Maker Account Validation Process

Reference ID: C2020092403

### Overview

**Applicable Cboe Exchanges:** BZX Options, Cboe Options, C2 Options, EDGX Options

**Effective October 5, 2020**, BZX Options ("BZX"), Cboe Options ("C1"), C2 Options ("C2"), and EDGX Options ("EDGX") (collectively, the "Exchanges") will begin validating Market Maker Accounts registered with the OCC for use by the Market-Maker on a given Exchange against the Market-Maker Account provided in the *ClearingAccount* (FIX Tag 440) field on orders and quotes routed to the given Exchange with the 'M' (Market Maker) value populated in the *OrderCapacity* (FIX Tag 47) field. Validation will confirm that the Market Maker Account provided is registered with the OCC for use on the given Exchange in accordance with applicable rules (e.g., BZX/EDGX Rule 22.7, C1 Rule 7.6 and C2 Rule 8.7).

### Technical Details

Quotes and orders sent with *OrderCapacity* = 'M' will be evaluated and validated based on the first three (3) characters of the *ClearingAccount* field. Edits to *ClearingAccount* in the Clearing Editor tool will also be validated.

Beginning October 5, 2020, quotes and orders where accounts listed in the *ClearingAccount* field do not appear to be registered with the relevant Exchange will be flagged and sent to Cboe Membership Services. Membership Services will follow up with the firm to ensure the account is properly registered with the OCC for use on the relevant Exchange. This phase of the validation process is expected to last at least three months.

**For the next phase, which is expected to begin during Q1 2021, quotes and orders with unregistered Market-Maker Accounts in the *ClearingAccount* field will be rejected back to the firm by the relevant Exchange.** A future notice will be sent with additional details and to advise Members and Trading Permit Holders (TPHs) of the effective date of this system enforcement.

### Providing Market-Maker Account Participant Information to Cboe

Also beginning October 5, 2020, Members and TPHs will be required to identify and keep current all Account Participants for each registered Market-Maker Account registered with the OCC for use by the Market-Maker on a given Exchange through a new Market Maker Accounts/Participants tool accessed via the Cboe Customer Web Portal. This enhancement to the Customer Web Portal will provide Members and

TPHs an automated and more efficient way to provide account participant information to the Exchanges, in accordance with applicable rules (e.g., BZX/EDGX Rule 22.7, C1 Rule 7.6 and C2 Rule 8.7).

## **Testing Opportunities**

Testing of the new Market Maker Accounts/Participants tool is currently available in the BZX, C1, C2, and EDGX Options certification environments.

## **Additional Information**

For additional information refer to the following technical specifications.

- [US Options BOE Specification](#)
- [US Options FIX Specification](#)
- [US Customer Web Portal Specification](#)

Please contact the Cboe Trade Desk or Membership Services 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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