



## Reminder – Cboe Options Adds Cancel/Reject Subreason Field and Risk Reset Enhancement

Reference ID: C2020072900

### Overview

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

**Effective August 3, 2020, for EDGX Options (“EDGX”) and August 4, 2020, for BZX Options (“BZX”), Cboe Options (“C1”), and C2 Options (“C2”) Exchanges** reject and cancel messages following a mass cancel event will distinguish between whether the mass cancel was initiated by the Exchange or by the user. If a mass cancel event is Exchange-initiated, a more specific event type will be identified on the reject message. Additionally, the *RiskReset* field (FIX Tag 7692) contains new values to provide release of lockout conditions without resetting any counters related to the risk rule.

### Technical Details

#### **New Subreason Field**

If present, the new *SubreasonText* field (FIX Tag 22058) in the FIX and BOE protocols will indicate additional detail for the reject or cancel. The format is a one letter code followed by colon and space followed by free form text. If multiple risk settings are tripped, the first one identified by the Matching Engine will be used. The new subreason codes are as follows:

Tag	Field Name	Description
22058	<i>SubreasonText</i>	A = Purge/mass cancel EFID level by user B = Purge/mass cancel symbol level by user C = Purge/mass cancel Custom Group ID level by user f = Risk management EFID level by rule s = Risk management symbol level by rule + = Risk management EFID Group level by rule E = EFID level lockout by Cboe Trade Desk admin T = Cboe Trade Desk admin J = Firm disconnect K = ME disconnect

**Customers utilizing the Quoting Interface on BOE are advised that the Quote Cancelled message will be grown in length by one byte to support a new *CancelSubreason* field.** Customers are advised to

test in the certification environment to ensure their quoting systems can appropriately handle the new message length for Quote Cancelled messages.

### Update to RiskReset Field Values

The *RiskReset* field (FIX Tag 7692) contains new values to provide a release of a self-imposed lockout condition without resetting any counters for any active risk profiles. This may be useful for time-based risk rules where the self-imposed lockout may be released without resetting the risk value being tracked back to zero. If a conflicting value is provided, the lockout release *with* counter reset will take precedence. For example, "ST" will release the self-imposed lockout and reset any applicable root-level rule counters to zero.

Firms are advised that using a *RiskReset* value without counter reset will not unlock a firm that has tripped a risk limit. For example, a firm that sends "T" to attempt to reset a trip of a risk root-level risk limit will see the request acknowledged but will continue to be locked out.

Tag	Field Name	Req'd	Description
7692	<i>RiskReset</i>	N	<p><b>Single Character Values – with counter reset:</b>            S = Risk Root-level risk/lockout reset            F = EFID risk/lockout reset            C = CustomGroupID lockout reset            G = EFID Group risk/lockout reset</p> <p><b>Single Character Values – without counter reset: (NEW)</b>            T = Risk Root-level self-imposed lockout reset            E = EFID self-imposed lockout reset</p>

For all examples below, assume firm has set the following risk limits:

- 5 trades per 10,000ms in AAPL series
- 100 contracts per 10,000ms in AAPL series

#### Example 1 – Self Imposed Lockout Initiated and Reset Sent without Counter Reset

- From 10:00:00 to 10:00:05 firm executes 3 trades totaling 50 contracts in AAPL series.
- At 10:00:06 firm sends purge for AAPL with lockout
- At 10:00:07 firm sends risk reset = "T" for AAPL
- Firm is allowed to continue sending quotes/orders.
- At 10:00:08 firm executes 2 trades in AAPL series totaling 30 contracts.

Risk is tripped (rule 1) and all open orders/quotes are cancelled in AAPL series.

#### Example 2 – Self Imposed Lockout Initiated and Reset Sent with Counter Reset

- From 10:00:00 to 10:00:05 firm executes 3 trades totaling 50 contracts in AAPL series.
- At 10:00:06 firm sends purge for AAPL with lockout
- At 10:00:07 firm sends risk reset = "S" for AAPL
- Firm is allowed to continue sending quotes/orders.
- At 10:00:08 firm executes 2 trades in AAPL series totaling 30 contracts.

Risk is not tripped because counters were reset at 10:00:07.

### **Example 3 – Risk Tripped and Reset Sent without Counter Reset**

- At 10:00:00 firm trips AAPL symbol risk limit
- At 10:00:01 firm sends risk reset = “T” for AAPL

Firm is not reset since counters were not set back to zero and all new orders/quotes continue to be rejected.

### **Testing Opportunities**

This functionality is currently available to test in the BZX, C1, C2 and EDGX Options Certification environments.

### **Additional Information**

More information can be found within the following technical specifications:

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

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