Updates to Ratio Check for Stock-Option Orders Processed Electronically

Reference ID: C2020071301

Overview

Applicable Cboe Exchange: Cboe Options

Effective August 7, 2020, Cboe Options Exchange ("C1") will implement a change to the eligibility for stock-option orders (e.g., buy-writes, etc.) processed electronically via COA, COB, AIM, SAM and QCC. The current process uses the quantity on the largest option leg versus number of shares to determine whether the order is within the required ratio of 8 options to 100 shares.

What's Changing

On the effective date, C1 will use the smallest option leg instead of the largest option leg on stock option orders when evaluating the compliance of 8 options to 100 shares and to determine eligibility for electronic processing for complex orders with a stock leg.

Testing Opportunities

This functionality will be available for testing in the C1 certification environment on July 15, 2020.

Please contact the Cboe 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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