



Cboe Options Introduces 16-Leg Maximum for Non-FLEX Complex Orders

Reference ID: C2021060800

Overview

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

Effective August 9, 2021, Cboe Options ("C1"), C2 Options ("C2"), and EDGX Options ("EDGX") Exchanges will support an increased number of legs on non-FLEX complex (multi-leg) orders. The number of allowable legs will be increased from 12 to 16. On C1 and EDGX, one of those complex legs may be a stock leg. This expansion of the number of legs permitted on a single message will apply to inbound orders, auction responses, outbound reports, strategy definitions, and market data messaging.

Order execution functionality, including AIM, SAM, QCC, COA, COB, and PAR, as applicable to each Exchange, will also support up to 16 legs. On the effective date, Cboe Silexx will support up to 16 legs on a single order ticket. Current permissible ratios for complex orders executed electronically and in open outcry (C1 only) will remain the same. Functionality for complex orders submitted in FLEX options will not be impacted by this change and will continue to support up to 100 legs.

Technical Details

Members can define the number of legs with the *NoLegs* field (FIX Tag 555) in FIX or BOE protocols. As a result of these changes, Members should be prepared for an increased Complex Instrument Definition Expanded message length on order, execution, and cancel messages, and on the auction, PITCH, and TOP data feeds to accommodate the increased number of legs.

- Eligible complex orders having up to 16 legs may be executed automatically and/or booked in the COB.
- On C1 and EDGX, stock-option orders may be executed automatically with a maximum of 16 legs including one stock leg.
- On C1, PAR will be enhanced to support up to 16 legs on a single order ticket. Orders exceeding 16 legs must continue to be split across multiple order tickets using the fewest order tickets necessary.

New BOE Field

A new BOE field, *LegPositionEffectsExt*, will be introduced to indicate the status of the client position in the option for each complex option leg. It is intended to be used with complex instruments containing greater than 12 legs. For FIX order entry, *LegPositionEffects* (FIX Tag 22019) will continue to function as currently operates and will accommodate up to 16 legs.

Field	Length	Data Type	Description
<i>LegPositionEffectsExt</i> (NEW)	16	Alpha	<p>Indicates status of the client position in the option for each complex option leg. This value string of characters "O", "C", and "N", is equal in length to the number of option legs of the instrument. If an equity leg is present it will always be the last leg, and the position effect must be set to "N".</p> <p>O = Open C = Close N = None*</p> <p>*Orders with an <i>OrderCapacity</i> of "M" or "N" will not be required to specify a position effect on their orders or may specify a value of "N". A <blank> will be sent to OCC.</p> <p>Contracts which are limited to closing only transactions with a value of "O" will be rejected unless <i>OrderCapacity</i> is "M" (Market Maker) and <i>TimeInForce</i> is 3 (Immediate or Cancel).</p> <p>If this field is present, it will be used instead of <i>LegPositionEffects</i> in the New Cross Order Multileg message. This field is intended to be used with complex instruments with greater than 12 legs, however it can be used with a complex instrument with 12 or fewer legs.</p>

Testing Opportunities

This functionality will be available to test in the C1, C2, and EDGX certification environments on July 26, 2021.

Additional Information

For more information, please refer to the following technical specifications:

- [US Options BOE Specification](#)
- [US Options FIX Specification](#)
- [US Options Complex Book Process](#)
- [US Options Complex Multicast TOP Specification](#)
- [US Options Complex Multicast PITCH Specification](#)
- [US Options Complex Auction Multicast PITCH Specification](#)

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