



Cboe Options to Automate Compliance with SPX Minimum Size Requirement for Market-Makers

Reference ID: C2021102100

Overview

Applicable Cboe Exchanges: Cboe Options

Effective November 28, 2021, Cboe Options Exchange (“C1”) will begin rejecting Market Maker quotes and orders in SPX options (symbol SPX only) with a quantity less than the regulatory size requirements. Quotes and orders in SPXW, currently subject to a minimum regulatory size requirement of one contract, will not be impacted by this change.

Technical Details

On the effective date, SPX orders or quotes with a *OrderCapacity* (FIX Tag 47) of ‘M’ or ‘N’ will be rejected if they do not meet the minimum regulatory size requirements. The most recent regulatory circular stating minimum sizes is available [here](#).

Orders or quotes will be rejected with reason code ‘A = Admin’ with subreason code ‘S = Minimum size requirement not met’. A quote update reject will result in cancellation of a resting quote side in that series. Cancel/replace messages will also be rejected with reason code ‘A = Admin’ and will follow existing port settings regarding canceling the order targeted for replacement.

Stop and Stop Limit Orders, as well as orders with a *TimeInForce* (FIX Tag 59) of ‘At The Close’ will be subject to the minimum size validation at all times, including during global trading hours (“GTH”). For all other quotes and orders, the size validation will be enforced during regular trading hours (“RTH”) only. The validation will be omitted in the following circumstances:

- If the market state is queuing.
- If the market state is halted.
- If the quote/order is received during GTH or curb session.
- If the order is complex (i.e., has more than one leg).
- If the quote side or order contains an IOC.
- If the order is force-routed to the floor. However, M/N orders will not be bookable from PAR if the size minimum is not met.
- If the message is an auction response of any kind.
- If the order is for a FLEX option.

Testing Opportunities

This functionality will be available to test in the C1 certification environment on October 24, 2021.

Additional Information

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

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

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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