



Elimination of Fat Finger Protection for Floor-Based Multi-Class Spread Limit Orders on Cboe Options Exchange

Reference ID: C2021040500

Overview

Applicable Cboe Exchange: Cboe Options

Effective April 20, 2020, Cboe Options Exchange ("C1") will eliminate the application of Fat Finger price checks for all floor-based Multi-Class spread limit orders, other than SPX versus SPXW spread limit orders, *subject to regulatory review*.

Technical Details

The System is currently unable to calculate an SNBBO for Multi-Class Spread instruments eligible to execute on the trading floor only. As a result, the System is not able to apply the Fat Finger price check with the appropriate buffers to floor-only Multi-Class Spread instruments. Therefore, upon the effective date, Cboe will exclude such instruments from the Fat Finger price check. The Fat Finger price check will continue to apply to complex instruments containing both SPX and SPXW legs that are eligible to trade on the floor or electronically.

No changes will be made to the application of other price checks (e.g. debit/credit reasonability, maximum value acceptable price range) to Multi-Class Spread limit orders that are eligible to trade on the floor only.

Testing Opportunities

Testing of the updated Fat Finger check System settings is currently available in the C1 certification environment.

Additional Information

The complete list of Multi-Class Spread Orders which are eligible to trade on the floor only as designated by the Exchange, including the equivalent number of contracts for each combination, is as follows:

- Any combination of VIX, VXX, VXZ, and BVZ – 1 VIX contract to 1 VXX contract to 1 VXZ contract to 1 BVZ contract
- Any combination of SPX, SPXW, SPXPM, BSZ, XSP, and SPY – 1 SPX, SPXW, SPXPM, or BSZ contract to 10 XSP or SPY contracts; 1 XSP contract to 1 SPY contract

- Any combination of OEF, OEX, XEO, SPX, SPXW, SPXPM, and XSP – 20 OEF contracts to 2 OEX or XEO contracts to 1 SPX, SPXW, or SPXPM contract to 10 XSP contracts
- Any combination of MNX, NDX, and QQQ – 10 MNX contracts to 1 NDX contract to 40 QQQ contracts
- DIA and DJX – 1 DIA contract to 1 DJX contract
- EFA and MXEA – 30 EFA contracts to 1 MXEA contract
- EEM and MXEF – 25 EEM contracts to 1 MXEF contract
- IWM and RUT – 10 IWM contracts to 1 RUT contract
- IWB and RUI – 10 IWB contracts to 1 RUI contract
- IWD and RLV – 10 IWD contracts to 1 RLV contract
- IWF and RLG – 10 IWF contracts to 1 RLG contract
- MRUT and SPX 10 MRUT contracts to 1 SPX contract
- MRUT and RUT – 10 MRUT contracts to 1 RUT contract
- MRUT and XSP – 1 MRUT contract to 1 XSP contract
- MRUT and IWM – 1 MRUT contract to 1 IWM contract

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

- [US Options Complex Book Process](#)
- [US Equities/Options Web Portal Port Controls](#)
- [US Options BOE Specification](#)
- [US Options FIX Specification](#)

Please contact the Cboe Trade Desk for support or with any questions.

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