



# CFE Tick Increment Change for VXM Futures; Cboe Options Tick Increment Change for VIX Options; New Minimum Electronic Quote Size Requirement for VIX Options

Reference ID: C2022083000

## Overview

**Applicable Cboe Exchanges:** CFE, Cboe Options

**Effective October 2, 2022**, Cboe Futures Exchange, LLC (“CFE”) and Cboe Options Exchange (“C1”) will implement the following changes:

- CFE will reduce the tick size for Mini Cboe Volatility Index (“VXM”) futures.
- C1 will modify the minimum tick size for electronic and verbal bids and offers on single-leg quotes and orders in Cboe Volatility Index (“VIX”) options.
- C1 will require a minimum size on electronic Market-Maker quotes in VIX options.

## Technical Details

### Tick Increment Changes

On the effective date, CFE will reduce the minimum increment for VXM futures from 0.05 index points (which has a value of \$5.00 per contract) to 0.01 index points (which has a value of \$1.00 per contract). This minimum increment applies with respect to single leg VXM futures transactions executed through CFE’s trading system. The current minimum increments for VXM futures for the individual legs and net prices of spread trades (0.01 index points), for Exchange of Contract for Related Position (“ECRP”) transactions (0.005 index points), and for Block Trades (0.005 index points) will remain at their existing levels.

On the effective date, C1 will modify the minimum tick size for electronic and verbal bids and offers on single-leg quotes and orders in VIX options, as follows:

Bid or Offer Price	Current Increment	New Increment
Under \$3.00	\$0.05	\$0.01
Over \$3.00	\$0.10	\$0.05

The net price on orders and verbal quotes for complex orders in VIX options of any ratio, as well as for all single-leg and complex AIM orders and auction responses, will remain at \$0.01, regardless of price level.

## **Minimum Electronic Quote Size Requirement**

On the effective date, C1 will require a minimum size on electronic Market-Maker quotes in VIX options, as follows:

- The initial minimum Market-Maker quote size requirement during all non-RTH sessions and all opening rotations, and for intraday electronic bids and offers received by the System no later than 3000 milliseconds after a series opens, will remain at one contract.
- Minimum electronic quote size requirements will be systematically enforced; quotes for insufficient size will be automatically rejected.
- See the below chart for initial minimum Market-Maker quote size requirements that will apply for intraday RTH electronic bids and offers received more than 3000-milliseconds after the opening of a series.

Days to Expiration					
Quote Bid/Offer	<= 7 Days	8-14 Days	15-60 Days	61-90 Days	>= 91 Days
.00-.50	250	750	500	300	250
.51-3.00	200	500	350	250	200
3.01-10.00	150	300	250	200	150
10.01-20.00	100	200	150	100	100
Greater than 20.00	50	100	100	50	50

Please note the initial minimum electronic quote size requirement will remain at one contract in all other classes, except for symbol SPX (but not SPXW) during RTH, the initial minimum quote size requirements for which are available [here](#).

Please also note that the changes described in this notice will not impact VIXW, which will continue to be quoted in \$0.01 increments and will continue to have an initial minimum electronic quote size of one contract.

## **Testing Opportunities**

This functionality is currently available for testing in the C1 and CFE certification environments.

## **Additional Information**

Please contact [reginterps@cboe.com](mailto:reginterps@cboe.com) for regulatory questions, or the Cboe Trade Desk for support or with any other questions.

We appreciate your business. Our trading community inspires and drives our mission of defining markets.

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