

CBOE Regulatory Circular RG16-138

Date: August 17, 2016
To: Trading Permit Holders
From: Business Development Division
RE: New User Handling Instruction “Do-Not-COA”

The Chicago Board Options Exchange, Incorporated (CBOE or the Exchange) announces the availability of a new User Handling Instruction, “Do-Not-COA,” for use on complex orders commencing August 29, 2016. The instruction is optional and causes complex orders with 2 legs (and otherwise eligible for the Complex Order Auction (COA)) to bypass COA upon initial entry. Complex orders with 3 or more legs (and otherwise eligible for COA) that include this instruction will be rejected back to the TPH. Circumstances in which TPHs may find this new feature beneficial include when entering complex orders within the implied market, especially when the price on such orders is expected to be modified frequently, or when, for any reason, many complex orders are being routed by a TPH to the Exchange’s trade engine.

Though this new feature may benefit complex orders eligible to route directly to the trade engine, it may also impact orders that include the new instruction and are represented manually via PAR. If a complex order is routed to a PAR workstation with the Do-Not-COA instruction, the instruction will remain in effect, and the order will not be eligible for COA when being initially booked from PAR, nor will the PAR operator be able to auction the order using the PAR AUCTION button. If a complex order is routed to a PAR workstation without the Do-Not-COA instruction, the PAR operator will not be able to add the instruction (and thus the order will auction if eligible and routed to the Exchange’s trade engine).

If an order with a “Do-Not-COA” instruction rests in the Complex Order Book (COB) (following initial entry or being routed from PAR), it will subsequently be eligible for ReCOA. (See Regulatory Circular RG12-007.)

For FIX users, a value of “1” in tag 21081 (UserHandlingInstructions) indicates “Do-Not-COA.”

For CMi2 users, an entry of “USRINST=1” in the Extensions field indicates “Do-Not-COA.”

Note: Drill-through protections that apply to orders only at the conclusion of a COA will not apply to orders entered with a “Do-Not-COA” instruction.

For further message details, please access the CBOE API specifications through the following link <https://systems.cboe.com/>.

Additional Information

- Requests for CBOE API specifications and testing may be directed to the CBOE API group at CBOE API Group at <mailto:api@cboe.com> or (312) 786-7300.
- Questions regarding the operational topics in this circular may be directed to the CBOE Help Desk at 866-728-2263 or helpdesk@cboe.com.