

## CBOE Regulatory Circular RG17-071

**Date:** May 18, 2017

**To:** Trading Permit Holders

**From:** Business Development Division

**RE:** AIM Auto-Match with Starting Price on Contra/Match Order

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The Chicago Board Options Exchange (“CBOE” or “Exchange”) is pleased to announce a new feature that will be available in its Automated Improvement Mechanism (AIM). The new feature, which will be optional, will allow the starting price for an AIM auction to be established via a field on the contra/match order when using AIM Auto-Match and AIM Auto Match with a limit. Availability is expected in June, 2017. A separate circular will be issued with rollout details.

When used with AIM Auto Match, the auction starting price is indicated by sending a limit in the price field and market in the contingency price field of the contra/match order. The contra/match order will join the price and quantity of auction responses.

When used with AIM Auto Match with a limit, the auction starting price is indicated by sending a limit in the price field and a limit price in the contingency price field of the contra/match order. The contra/match order will join the price and quantity of auction responses up to the limit contained in the contingency price field.

This new functionality will be applicable to “regular” AIM for simple, complex orders and buy-writes, as well as AIM ISO and AIM Sweep, which are available for simple orders only. AIM Cust-to-Cust, SAM (AON AIM) and AIM Opt-Out will continue to work as they do today.

Note the inclusion of the starting price on the match/contra order is not required. If not included, the auction starting price for simple orders will continue to be the better of (A) the limit price on the primary/agency order and (B) the NBBO for orders of 50 and greater or one minimum price increment inside the NBBO for orders of 49 and less. If the price on the primary/agency order is market, then the starting price will be the NBBO for orders of 50 and above and one minimum price increment better than the NBBO for orders of 49 and less. For complex orders, the starting price will be the better of the limit on the primary/agency order or one minimum price increment inside the implied Exchange Spread Market (ESM), which also incorporates the stock NBBO for stock/option orders (e.g., buy-writes, married puts, conversions, reversals, etc.).

### **The following designate the FIX tags for AIM Auto-Match order types with a starting price.**

AIM Auto-Match with a start price:

On the Match order; set MatchType[9382] = 3 (Auto-Match), OrderType[40] = 2 (Limit), Price[44] with the limit price. FIX maps the contingency price to “Market”.

AIM Auto-Match with a limit and start price.

On the Match order; set MatchType[9382] tag = 3 (Auto-Match), OrderType[40] = 2 (Limit), Price[44] with the limit price, and TriggerPrice[5167] with a contingency limit price.

### **The following designate the CMI2 fields for AIM Auto-Match order types with a starting price:**

AIM Auto-Match with a start price:

On the Match order; set Match Type = 3 (Auto\_Match), Price Type = 2 (Limit), Price = the designated limit price, and Contingency Price Type = 3 (Market).

AIM Auto-Match with a limit and start price.

On the Match order; set Match Type = 3 (Auto\_Match), Price Type = 2 (Limit), Price = the designated limit price, Contingency Price Type = 2 (Limit), and Contingency Price = the contingency limit price.

#### **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](mailto:helpdesk@cboe.com).