



FLEX Open Outcry (FOO) Orders on the BOX Trading Floor

TO: BOX Options Participants
FROM: BOX Market Operations Center
SUBJECT: FLEX Open Outcry (FOO) Orders on the BOX Trading Floor
DATE: October 19, 2023

Overview

Pending regulatory approval, BOX Options Market LLC (“BOX”) anticipates introducing FLEX Open Outcry (“FOO”) Orders to the BOX Trading Floor in December 2023.

Limitations

- FOO Orders will **not** be available for electronic trading.
- Single Leg FOO Orders, Complex FOO Orders, and Multi-Leg FOO Orders will be supported only on the FIX protocol using the existing FIX ‘PI’ (AuctionType ‘R’). No new Tags are required for FOO Order, Complex FOO Order, or Multi-Leg FOO Order Entry, however there are some limitations for each as described in the table below.

Announcement Time

FLEX Floor Brokers are required to submit the Announcement Time of each FOO Order, Complex FOO Order, and Multi-Leg FOO Order in the Systematization file sent to the Exchange at the end of each trading day. The specifications for the Announcement Time are detailed below.

Technical documentation

The updated FIX, HSVF and ATR Specifications with FOO Orders included can be found on the [BOX website](#).

Rules

For more information, please see [SR-BOX-2023-20](#).

1. Entry of a Single Leg FOO Order	Protocol Versions
<p>A Single Leg FOO Order is submitted to the BOX Trading Host using the existing FIX 'PI' (Auction Entry) message with the following existing tags:</p> <ul style="list-style-type: none"> • AuctionType (Tag 9383) = 'R' (Floor Trade) • SecurityType (Tag 167) = 'OPT' (Option) • Symbol (Tag 55) = Underlying prefixed by: <ul style="list-style-type: none"> ○ '1' (American FLEX Option, Physical-Settled) (e.g., 1AAPL) ○ '2' (European FLEX Option, Physical-Settled) (e.g., 2AAPL) • PutOrCall (Tag 201) = 'P' (Put) or 'C' (Call) • StrikePrice (Tag 202) = Strike Price of FLEX Option, must be in increment of \$0.01 • MaturityMonthYear (Tag 200) and MaturityDate (Tag 205) define the Expiration date of the FLEX Option, which should not exceed 15 years from the current business date. • Price (Tag 44) = Price of the FLEX Option <ul style="list-style-type: none"> ○ Submitted in penny-increments (\$0.01) or ○ Fraction of a penny (\$0.001), however all execution prices will be in penny increments (\$0.01) 	B4, B5, B6
2. Entry of a Complex FOO Order or Multi-Leg FOO Order	Protocol Versions
<p>A Complex FOO or Multi-Leg FOO Order is submitted to the BOX Trading Host using the existing FIX 'PI' (Auction Entry) message with the Leg Blocks with the following existing tags:</p> <ul style="list-style-type: none"> • AuctionType (Tag 9383) = 'R' (Floor Trade) • SecurityType (Tag 167) = 'MLEG' (Complex Order) • Price (Tag 44) = Net Price of the Complex FOO Order or Multi-Leg FOO Order <ul style="list-style-type: none"> ○ Submitted in penny-increments (\$0.01) or ○ Fraction of a penny (\$0.001), however execution prices will be in penny increments (\$0.01) • Leg Block <ul style="list-style-type: none"> ○ LegSymbol (Tag 600) = Underlying prefixed by: <ul style="list-style-type: none"> ▪ '1' (American FLEX Option, Physical-Settled) (e.g., 1AAPL) ▪ '2' (European FLEX Option, Physical-Settled) (e.g., 2AAPL) ○ LegCFIcode (Tag 608) = 'OC' (Option Call) or 'OP' (Option Put) ○ LegMaturityDate (Tag 611) = Expiration Date of the Leg should not exceed 15 years from the current business date ○ LegStrikePrice (Tag 612) = Strike Price of the FLEX Option Leg must be in increment of \$0.01 	B4, B5, B6

<ul style="list-style-type: none"> ○ LegRatioQty (Tag 623), LegSide (Tag 624), LegPositionEffect (Tag 564), LegPositionEffectMBF (Tag 9564) as specified by the Participant. ○ MultiLegPrice (Tag 9379) is optional but if specified, it must be submitted: <ul style="list-style-type: none"> ▪ In penny increments (\$0.01) or ▪ Fraction of a penny (\$0.001), however all leg execution prices will be in penny increments (\$0.01) <p>Additional Limitations for Complex FOO and Multi-Leg FOO Orders:</p> <ul style="list-style-type: none"> • The Legs of a Complex or Multi-Leg FOO Order must be either <u>all FLEX American, Physical-Settled</u> or <u>all FLEX European, Physical-Settled</u>. In other words, a mix of FLEX American and FLEX European Legs within the FOO Order will result in a reject. • A mix of FLEX Option Legs and Non-FLEX Option Legs is also not allowed within the FOO Order and will result in a reject. 																
<p>3. FIX '8' Execution Report</p>	<p>Protocol Versions</p>															
<p>The existing FIX '8' Execution Report will be sent out on either an execution or a reject. Participants should expect that Symbol (Tag 55) will be returned using the FLEX symbology (as was entered in the PI message above)</p>	<p>B4, B5, B6</p>															
<p>4. BOX High Speed Vendor Feed (HSVF)</p>	<p>Protocol Versions</p>															
<ul style="list-style-type: none"> • A FLEX option created in the system will be broadcast using the HSVF J (Option Instrument Key) message. • A Complex and Multi-Leg FLEX instrument created in the system will be broadcast using the HSVF existing JS (Complex Option Instrument Key) message. • An instrument can be identified as FLEX with the class symbol prefixed by '1' (American FLEX Option, Physical-Settled) or '2' (European FLEX Option, Physical-Settled). • In addition to the prefix above, the existing HSVF field "MarketFlowIndicator" can be used to identify a FLEX option and Complex and Multi-Leg FLEX instrument as follows: <table border="1" data-bbox="300 1560 1377 1675"> <thead> <tr> <th>MarketFlowIndicator</th> <th>First Letter</th> <th>Type of Instrument</th> <th>Second Letter</th> <th>Type of Underlying</th> </tr> </thead> <tbody> <tr> <td>OE</td> <td>O</td> <td>Options</td> <td>E</td> <td>Equity</td> </tr> <tr> <td>FE</td> <td>F (new)</td> <td>Flex-Options</td> <td>E</td> <td>Equity</td> </tr> </tbody> </table>	MarketFlowIndicator	First Letter	Type of Instrument	Second Letter	Type of Underlying	OE	O	Options	E	Equity	FE	F (new)	Flex-Options	E	Equity	<p>C7</p>
MarketFlowIndicator	First Letter	Type of Instrument	Second Letter	Type of Underlying												
OE	O	Options	E	Equity												
FE	F (new)	Flex-Options	E	Equity												
<p>5. BOX Automated Trade Reporting (ATR)</p>	<p>Protocol Versions</p>															
<ul style="list-style-type: none"> • There will be no new fields added for FLEX options in existing ATR messages. 	<p>A0, A1, A2</p>															

<ul style="list-style-type: none"> The field “<i>InstrumentSymbol</i>” will be prefixed with a ‘1’ (American FLEX Option, Physical-Settled) or ‘2’ (European FLEX Option, Physical-Settled). 	
6. “Announcement Time” declaration in QOOSystematization file	Protocol Versions
<p>The “Announcement Time” of FOO and Complex/Multi-Leg FOO orders must be populated in the Systematization file sent to the Exchange at the end of the Trading Day.</p> <p>File: QOOSystematization_[YYYYMMDD]_[source].csv where:</p> <ul style="list-style-type: none"> Source = the Firm Identification of the user that has sent the FOO orders to BOX YYYYMMDD = the date of the file <p>New column: AnnouncementTime</p> <ul style="list-style-type: none"> Format: HHMMSSmmmmuuu (EST time) <p>Examples:</p> <ul style="list-style-type: none"> An Announcement Time with up to seconds precision e.g., 09:52:17 (EST) shall be reported as 095217000000 An Announcement Time with up to milliseconds precision e.g., 09:52:17.123 (EST) shall be reported as 095217123000 An Announcement Time with up to microseconds precision e.g., 09:52:17.123.456 (EST) shall be reported as 095217123456 	N/A

2023-370

ISV Test environment

Participants who wish to test their applications for these changes must contact the MOC team (see below) to set up a testing session in the BOX ISV test environment.

Contact

Market Operations Center at (866) 768-8845 or by e-mail at BOXMOC@boxoptions.com.