



## Cash-Settled FLEX Open Outcry (FOO) Orders on the BOX Trading Floor

**TO:** BOX Options Participants  
**FROM:** BOX Market Operations Center  
**SUBJECT:** Cash-Settled FLEX Open Outcry (FOO) Orders on the BOX Trading Floor  
**DATE:** November 5, 2024

### Overview

Pending regulatory approval, BOX Options Market LLC (“BOX”) anticipates introducing cash-settled FOO Orders to the BOX Trading Floor. BOX will publish an additional notice announcing the launch date.

### Limitations

- Cash-settled FOO Orders will not be available for electronic trading.
- Cash-settled 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 cash-settled FOO Order, Complex FOO Order, or Multi-Leg FOO Order entry, however there are some limitations for each as described in the table below.

### Eligibility criteria

Bi-annually, BOX will announce via Notice a list of the underlying ETFs which will be eligible to create cash-settled FOO Orders, Complex FOO Orders, and Multi-Leg FOO Orders.

### Announcement Time

FLEX Floor Brokers are required to submit the Announcement Time of each cash and physical settled 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 cash-settled FOO Orders, Complex FOO Orders, and Multi-Leg FOO Orders included can be found on the [BOX website](#).

1. Entry of a Cash-Settled FOO Order	Protocol Versions
<p>A cash-settled 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"> <li>• AuctionType (Tag 9383) = 'R' (Floor Trade)</li> <li>• SecurityType (Tag 167) = 'OPT' (Option)</li> <li>• Symbol (Tag 55) = Underlying prefixed by: <ul style="list-style-type: none"> <li>○ '3' (American FLEX Option, Cash-Settled) (e.g., 3SPY)</li> <li>○ '4' (European FLEX Option, Cash-Settled) (e.g., 4SPY)</li> </ul> </li> <li>• PutOrCall (Tag 201) = 'P' (Put) or 'C' (Call)</li> <li>• StrikePrice (Tag 202) = Strike Price of FLEX Option, must be in increment of \$0.01</li> <li>• 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.</li> <li>• Price (Tag 44) = Price of the FLEX Option <ul style="list-style-type: none"> <li>○ Submitted in penny-increments (\$0.01) or</li> <li>○ Fraction of a penny (\$0.001), however all execution prices will be in penny increments (\$0.01)</li> </ul> </li> </ul>	B4, B5, B6
2. Entry of a Complex Cash-Settled FOO Order or Cash-Settled Multi-Leg FOO Order	Protocol Versions
<p>A Complex cash-settled 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"> <li>• AuctionType (Tag 9383) = 'R' (Floor Trade)</li> <li>• SecurityType (Tag 167) = 'MLEG' (Complex Order)</li> <li>• Price (Tag 44) = Net Price of the cash-settled Complex FOO Order or Multi-Leg FOO Order <ul style="list-style-type: none"> <li>○ Submitted in penny-increments (\$0.01) or</li> <li>○ Fraction of a penny (\$0.001), however execution prices will be in penny increments (\$0.01)</li> </ul> </li> <li>• <b>Leg Block</b> <ul style="list-style-type: none"> <li>○ LegSymbol (Tag 600) = Underlying prefixed by: <ul style="list-style-type: none"> <li>▪ '3' (American FLEX Option, Cash-Settled) (e.g., 3SPY)</li> <li>▪ '4' (European FLEX Option, Cash-Settled) (e.g., 4SPY)</li> </ul> </li> <li>○ LegCFIcode (Tag 608) = 'OC' (Option Call) or 'OP' (Option Put)</li> <li>○ LegMaturityDate (Tag 611) = Expiration Date of the Leg should not exceed 15 years from the current business date</li> </ul> </li> </ul>	B4, B5, B6

<ul style="list-style-type: none"> <li>○ LegStrikePrice (Tag 612) = Strike Price of the FLEX Option Leg must be in increments of \$0.01</li> <li>○ LegRatioQty (Tag 623), LegSide (Tag 624), LegPositionEffect (Tag 564), LegPositionEffectMBF (Tag 9564) as specified by the Participant.</li> <li>○ MultiLegPrice (Tag 9379) is optional but if specified, it must be submitted: <ul style="list-style-type: none"> <li>▪ In penny increments (\$0.01) or</li> <li>▪ Fraction of a penny (\$0.001), however all leg execution prices will be in penny increments (\$0.01)</li> </ul> </li> </ul> <p><b>Additional Limitations for Cash-Settled Complex FOO and Multi-Leg FOO Orders:</b></p> <ul style="list-style-type: none"> <li>• The Legs of a cash-settled Complex or Multi-Leg FOO Order must be either <b><u>all Cash-Settled FLEX American</u></b> or <b><u>all Cash-Settled FLEX European</u></b>. In other words, a mix of Cash-Settled FLEX American and FLEX European Legs within the Complex or Multi-Leg FOO Order will result in a reject.</li> <li>• A mix of Cash-Settled FLEX Option Legs and Physical-Settled FLEX Option Legs is not allowed within the Complex or Multi-Leg FOO Order and will result in a reject.</li> <li>• A mix of Cash-Settled FLEX Option Legs and Non-FLEX Option Legs is also not allowed within the Complex or Multi-Leg FOO Order and will result in a reject.</li> </ul>	
<p><b>3. FIX '8' Execution Report</b></p>	<p><b>Protocol Versions</b></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><b>4. BOX High Speed Vendor Feed (HSVF)</b></p>	<p><b>Protocol Versions</b></p>
<ul style="list-style-type: none"> <li>• A FLEX Option Cash or Physical settled created in the system will be broadcast using the HSVF J (Option Instrument Key) message.</li> <li>• A Complex and Multi-Leg FLEX Instrument Cash or Physical settled created in the system will be broadcasted using the HSVF existing JS (Complex Option Instrument Key) message.</li> <li>• An Instrument can be identified as a Cash-Settled FLEX with the class symbol prefixed by '3' (American FLEX Option, Cash-Settled) or '4' (European FLEX Option, Cash-Settled).</li> </ul>	<p>C7</p>

<ul style="list-style-type: none"> <li>In addition to the prefix above, the existing HSVF field “MarketFlowIndicator” can be used to identify a Cash or Physical settled FLEX Option and Complex and Multi-Leg FLEX Instrument as follows:</li> </ul> <table border="1" data-bbox="300 300 1377 415"> <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	
MarketFlowIndicator	First Letter	Type of Instrument	Second Letter	Type of Underlying												
OE	O	Options	E	Equity												
FE	F (new)	Flex-Options	E	Equity												
<b>5. BOX Automated Trade Reporting (ATR)</b>	<b>Protocol Versions</b>															
<ul style="list-style-type: none"> <li>There will be no new fields added for FLEX Options in existing ATR messages.</li> <li>The field “<i>InstrumentSymbol</i>” will be prefixed with a ‘3’ (American FLEX Option, Cash-Settled) or ‘4’ (European FLEX Option, Cash-Settled).</li> </ul>	A0, A1, A2															
<b>6. “Announcement Time” declaration in QOO Systematization file</b>	<b>Protocol Versions</b>															
<p>Similar to physical-settled FLEX Options already available on BOX, the “Announcement Time” for both cash-settled FOO Orders and Complex/Multi-Leg FOO Orders <b>must</b> be populated in the Systematization file sent to the Exchange at the end of the Trading Day.</p> <p><b>File: QOOSystematization_[YYYYMMDD]_[source].csv</b> where:</p> <ul style="list-style-type: none"> <li>Source = the Firm Identification of the user that has sent the FOO Orders to BOX</li> <li>YYYYMMDD = the date of the file</li> </ul> <p><b>New column: AnnouncementTime</b></p> <ul style="list-style-type: none"> <li>Format: HHMMSSmmmmuuu (Eastern Time/Eastern Daylight Time)</li> </ul> <p><b>Examples:</b></p> <ul style="list-style-type: none"> <li>An Announcement Time with up to seconds precision e.g., 09:52:17 (EST/EDT) shall be reported as 095217000000</li> <li>An Announcement Time with up to milliseconds precision e.g., 09:52:17.<b>123</b> (EST/EDT) shall be reported as 095217<b>123</b>000</li> <li>An Announcement Time with up to microseconds precision e.g., 09:52:17.<b>123.456</b> (EST/EDT) shall be reported as 095217<b>123456</b></li> </ul>	N/A															

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### **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](mailto:BOXMOC@boxoptions.com).