



Crossed Trade Handling Considerations
on Cboe Australia

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System response times may vary for a number of reasons including market conditions, trading volumes and system performance.

1 Crossed Trade Handling Considerations on Cboe Australia

This paper provides clarity to Cboe Australia Trading Participants about various mechanisms available to handle crossed trade scenarios.

2 Self-Trade Protection

Cboe Australia also provides Self Trade Protection to avoid buy and sell orders from the same Participant matching, where both orders have:

- ❖ The same first three digits of the Trading PID, and
- ❖ The same *NoSelfTrade* key

Participants may choose from the following 3 Self Trade Protection outcomes per order:

- ❖ **Cancel Newest** - passive order remains unchanged.
- ❖ **Decrement & Cancel** - largest order is decremented and smallest order is cancelled.
- ❖ **Booking Purpose** – orders are matched but the trade is converted to a Booking Purpose trade report.

This tool may also ensure broker preferencing does not apply for an order or set of orders, resulting in the order(s) being in the ordinary course of trading.

3 Technical Specification Details

FIX tag **8174 NoSelfTrade**: orders with matching *NoSelfTrade* key from the same Participant ID (as determined by the first three digits of the Trading PID), will result in 'Cancel Newest' unless FIX tag **7713 NoTradeFeat** is populated to instruct Cboe Australia systems to handle as follows:

- ❖ N = Cancel Newest
- ❖ D = Decrement & Cancel
- ❖ X = Booking Purpose

The OUCH (CHIXOE) specification has equivalent fields to handle self-trade protection.

Note that Booking Purpose trades are not disseminated on public market data feeds.

Please refer to section 10 of the Order Type Overview document for full details.

4 Remove Crossing from Clearing

Crossed trades are sent to CHESSE by default. Settings are available to Participants who do not wish their crossing trades (as determined by the first three digits of the Trading PID), to be cleared by CHESSE. The settings apply to both **On Market** continuous trades and **Off Market** Trade Reports. The following options are available:

1. Crossing trades **will not be sent to CHESSE** (thus avoiding the CHESSE 'crossing registration fee'), where Participants:
 - a) Have pre-requested with Cboe Australia to not send crossing trades to CHESSE, and
 - b) Orders and trades have been submitted to Cboe Australia with "Y" in tag 8177;
2. Crossing trades **will be sent to CHESSE** (with a Booking Purpose indicator) where Participants:
 - a) Have not pre-requested with Cboe Australia to not send crossing trades to CHESSE, and
 - b) Orders and trades have been submitted to Cboe Australia with "Y" in tag 8177.

5 Technical Specification Details

FIX tag 8177 **RemoveCrossingFromClearing**: is Boolean field that instructs Cboe Australia how it should handle crossing trades with CHESSE.

The CHIXOE specification does not have an equivalent field.