



Cboe Global Markets Extension for Trade Compression

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1 Introduction

Cboe is developing an option trade compression service called *Cboe Compression Service*. The service will allow for bilateral and multilateral compression. This information is then passed to The Options Clearing Corporation (OCC) and the clearing firms.

This Gap Analysis document establishes the technical requirements for bilateral and multilateral compression for portfolio and netted trades using the FIX Protocol.

2 Business Requirements

FIX currently supports multilateral compression for netted trades based on the following fields, values, and descriptions:

- TrdType(828) = 57 (Netted trade)
- TrdSubType(829) = 48 (Multilateral compression; *A subtype of TrdType(828) = 57 (Netted trade) in order to identify a special case of compression.*)

The requirement is to support both multilateral and bilateral compression for netted and portfolio trades. This supports the flagging of a portfolio trade done for the purpose of bilateral compression (e.g. ISDA 2017 Portfolio Compression Agreement).

It is proposed to add a new value 54 = "Bilateral compression" to TrdSubType(829) and to remove the limitation of TrdSubType(829) = 48 to netted trades. Compression should be allowed for all values of TrdType(828) where it is applicable, especially for TrdType(828) = 50 (Portfolio trade).

3 Issues and Discussion Points

NONE

4 Proposed Message Flow

NONE

5 FIX Message Tables

NONE

6 FIX Component Blocks

NONE

7 Category Changes

No changes to categories

Appendix A - Data Dictionary

Tag	FieldName	Action	Datatype	Description	FIXML Abbreviation	Add to / Deprecate from Message type or Component block
829	TrdSubType	CHANGE	int	<p>Further qualification to the trade type</p> <p>Supported values:</p> <p>48 = Multilateral compression [Elaboration: A subtype of TrdType(828) = 57 (Netted trade) - Used to identify a special case of compression between multiple parties, e.g. for netted or portfolio trades.]</p> <p>54 = Bilateral compression [Elaboration: Used to identify a special case of compression between two parties, e.g. for netted or portfolio trades.]</p>		

Appendix B - Glossary Entries

Term	Definition	Field where used

Appendix C - Abbreviations

Term	Proposed Abbreviation	Proposed Messages, Components, Fields where used

Appendix D - Usage Examples

[Examples may be entered below this line]