

Cboe Global Markets

Extension for Trade Compression

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# Document History

| **Revision** | **Date** | **Author** | **Revision Comments** |
| --- | --- | --- | --- |
| v0.1 | June 9, 2021 | Cboe, FIX GTC | Initial version |
| V0.2 | July 15, 2021 | FIX GTC | Minor update after GTC presentation |
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The above document history section, including date, author, and comments, is required to track editing changes to the document. List revisions in **ascending order**. Please insert additional rows in the table as needed.

Template version information:

r2: 2010-11-13 Revised to support abbreviations, inlined component references

r3: 2011-12-02 Revised to add additional usage clarification

r3.1: 2013-01-04 Revised Copyright year, changed template to Office 2013 .docx version, updated font to Calibri for cleaner look. Added additional template usage clarification.

R3.2 2016-05-23 – revised the copyright date, corrected document references and replaced the FIX logo with the most current graphic.

2016-09-14 – Removed blue highlighting from hidden text content, removed ICR column from 5.1 and 6.1 tables and added “FIX Spec” to the Comments column header of table 6.1 and revised notation of optional elaboration for fields and enums in the data dictionary.

# 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.

# 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 TBD = “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).

# Issues and Discussion Points

NONE

# Proposed Message Flow

NONE

# FIX Message Tables

NONE

# FIX Component Blocks

NONE

# 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 | Further qualification to the trade typeSupported values: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.]TBD = Bilateral compression[Elaboration: A subtype of TrdType(828) used to identify a special case of compression between two parties, e.g. for netted or portfolio trades.] |  |  |
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# Appendix B - Glossary Entries

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| **Term** | **Definition** | **Field where used** |
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# Appendix C - Abbreviations

|  |  |  |
| --- | --- | --- |
| **Term** | **Proposed Abbreviation** | **Proposed Messages, Components, Fields where used** |
|  |  |  |

# Appendix D - Usage Examples

[Examples may be entered below this line]