



**BOXX**<sup>®</sup>  
OPTIONS EXCHANGE

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Informational Circular

IC-2014-020

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**TO:** BOX Options Participants  
**FROM:** BOX Market Operations Center  
**SUBJECT:** New Preferred Order Type  
**DATE:** December 4, 2014

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BOX Options Exchange ("BOX") will introduce a new order type,<sup>1</sup> the "Preferred Order" in early 2015.

This new order type will allow Participants to designate a Market Maker to receive an allocation preference with respect to a percentage of the Preferred Order if certain pre-requisites are met.

Preferred Order allocation will occur at the last price level where the inbound Preferred Order is completely filled and will follow these Steps:

1. Public Customer priority (FIFO),
2. Designated Preferred Order Market Maker privileged allocation percentage, and
3. FIFO for all remaining orders and quotes (Note: the Preferred Order Market Maker will receive its allocation under either Step 2 or Step 3, whichever is greater).

Preferred Complex Orders will be accepted but will use the existing Price-Time trade allocation rules. This also applies to Preferred Complex Orders executing on the BOX Book and regular orders executing against Preference Complex Orders.

Preferred Orders will be processed as regular orders during the opening rotation.

### Technical Details

**Note: All Participants sending Directed Orders will be required to make changes to their order entry, regardless of if they intend to submit Preferred Orders. Once launched, all orders that designate an Executing Participant will be processed as Preferred Orders unless the order is explicitly identified as a Directed Order.**

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<sup>1</sup> Subject to SEC approval

BOX SERVICES	IMPACTS
<p><b>SAIL</b></p>	<p>A new field [Special Price Term] will be added after the [Price] field and will replace the actual filler in the message types:  OE: Order Entry  OM: Order Modification</p> <p>The supported values will be:  ' ': Default will be Preferred Order  'O': For designating a Directed Order  'P': For designating a Preferred Order</p> <p>The Preferred Order Market Maker will be identified in the field [Executing Participant]. If no Executing Participant is specified, the order will be processed as a Regular order.</p>
<p><b>FIX</b></p>	<p>A new field [9303-RoutingInst] will be added to the message types:  D: New Single/Complex Order  G: Cancel/Replace Single/Complex Order  AB: New Multi-Leg Order – Single  AC: Cancel/Replace Multi-Leg Order</p> <p>The supported values will be:  ' ' or field not provided: Default will be Preferred Order  'O': For designating a Directed Order  'P': For designating a Preferred Order</p> <p>The Preferred Order Market Maker will be identified in the field [7901-ExecutingParticipantID]. If no Executing Participant is specified, the order will be processed as a Regular order.</p>

**Testing**

Participants interested in testing this new feature may do so in the BOX Test environment.

**Contact**

Please contact the Market Operations Center at (866) 768-8845 or by e-mail at [BOXMOC@boxexchange.com](mailto:BOXMOC@boxexchange.com) should you require any additional information.