

September 28, 2017  
MR-17-08

**CHICAGO STOCK EXCHANGE, INC.  
MARKET REGULATION DEPARTMENT  
INFORMATION MEMORANDUM**

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**RE: Notice Regarding Order Types and Order Modifiers that Are Eligible for Entry into and Accepted by the CHX Matching System**

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Pursuant to CHX Article 20, Rule 4(b), effective October 2, 2017, the Qualified Contingent Trade (QCT) order execution modifier for cross orders will be eligible for entry into or acceptance by the Exchange's Matching System outside of the normal market hours of 8:30 a.m. to 3:00 p.m. Central Standard Time. Institutional Brokers that execute a QCT<sup>1</sup> or a Pilot Qualified Contingent Trade (Pilot QCT),<sup>2</sup> for the purposes of the Tick Size Pilot Program Pursuant to Regulation NMS, outside of normal market hours, may designate such transaction as a QCT in the Matching System. Institutional Brokers are reminded of their recordkeeping and supervisory obligations with respect to transactions designated to the Matching System as QCTs and Pilot QCTs, and that such obligations apply to such transactions at all times the Matching System is operational, including, outside of normal market hours.<sup>3</sup>

Please note that order types and modifiers not eligible for entry to the Matching System will be rejected by the Exchange. This Notice does not change the basic requirements that an order must meet to comply with CHX Article 20, Rule 4(a).

The following order types and order modifiers (as defined in CHX Article 1, Rule 2) shall be eligible for entry into and accepted by the Exchange's Matching System:

- A. General Order Types:
  - 1. Market
  - 2. Limit
  - 3. Cross
  
- B. Authorized Order Execution Modifiers (Active):
  - 1. Limit Orders Only:
    - a. BBO Intermarket Sweep (BBO ISO)
    - b. Cancel on Halt
    - c. CHX Only
    - d. Post Only
    - e. Price-Penetrating ISO
    - f. CHX SNAP\*

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<sup>1</sup> See CHX Article 1, Rule 2(b)(2)(E).

<sup>2</sup> See <http://www.chx.com/regulatory-operations/tick-size-pilot-securities/tsp.html> (Tick Size Pilot Plan definition of Pilot Qualified Contingent Trade, at page 4 of Plan).

<sup>3</sup> See, e.g., Information Memorandum MR-15-04, "Guidance to CHX Institutional Brokers ("IBs") Concerning QCT Exemption Elements, Pricing and Recordkeeping Obligations" (April 27, 2015).

- (i) Start SNAP
    - (ii) Cancel on SNAP
    - (iii) SNAP Auction Only Orders (“SNAP AOO”)
      - (a) “SNAP AOO – Day”
      - (b) “SNAP AOO – One and Done”
      - (c) “SNAP AOO – Pegged”
        - A. Midpoint
        - B. Market
        - C. Primary
  - 2. Cross Orders Only:
    - a. Benchmark
    - b. Midpoint Cross
    - c. Qualified Contingent Trade (QCT)
  - 3. Market Orders Only:
    - a. Immediate or Cancel (IOC)
  - 4. Modifiers applicable to Multiple Order Types:
    - a. Do Not Route
    - b. Intermarket Sweep (ISO)
    - c. Not Held\*\*
    - d. Sell Short
    - e. Sell Short Exempt
    - f. Match Trade Prevention (MTP)
- C. Authorized Order Display Modifiers (Active):
- 1. Always Quote
  - 2. Reserve Size
- D. Order Duration (“Time-In-Force”) Modifiers (Active):
- 1. Day
  - 2. Good ‘Til Date
  - 3. Immediate or Cancel

\*As noted in CHX Customer Service Notification, “Tick Pilot Roll Out,” dated September 20, 2016, SNAP functionality has been deactivated for certain securities subject to the ongoing Tick Size Pilot Program (see <http://www.chx.com/notices/customer-service/>). SNAP orders types and modifiers received in such securities shall be rejected.

\*\*Order modifier used by customers for orders sent to CHX Institutional Brokers.

For a complete list and definitions of the CHX order types and order modifiers, please consult CHX Article 1, Rule 2. For questions or inquiries regarding this notice, please contact the undersigned at (312) 663-2402 or [psantori@chx.com](mailto:psantori@chx.com).

Peter D. Santori  
 Executive Vice President and  
 Chief Regulatory Officer