

The purpose of this document is to provide an overview of the current Risk Settings offered within Silexx OEMS. All Silexx users can view their limits, however only designated firm Risk Administrators entitled by Silexx Support can edit limits set on Users and Accounts. Silexx Support can set Risk Settings on the backend as default for all FIRM users as part of Cboe Silexx firm setup procedure. Note these Risk Settings are subject to change without official notice. Updates to Risk Settings are instantaneous; logout/login is not required.

## Risk Settings Accessible on Silexx OEMS

Warning Limits are considered “warnings” that users can click through, while Max Limits are “hard rejects” users cannot breach unless the designated firm Risk Administrator allows the user to override.<sup>1</sup> Warnings and hard rejects can be set at both Account and User levels. Firm level settings result in hard rejects.

Designated firm Risk Administrators determine if a user has the right to override hard rejects with the Allow Risk Override risk setting.

Risk Setting	Description	Applicable Levels			Breach Level		Asset Class(es)
		Firm	User	Account	Hard Reject	Warning	
<b>Max Quantity Per Order (Order Qty)</b>	Total quantity of buys and sells for an individual order. <ul style="list-style-type: none"> <li>• <i>Formula(s)</i>: Qty. &gt; Limit</li> <li>o <b>Options</b>: Quantity</li> <li>o <b>Complex</b>: Largest of total option buy leg qty OR total option sell leg qty</li> </ul>	✗	✗	✗	✗	✗	All
<b>Max Notional<sup>2</sup> Per Order (Order Notional)</b>	Maximum \$ amount per order. <ul style="list-style-type: none"> <li>• <i>Formula(s)</i>: Notional &gt; Limit</li> <li>o <b>Options</b>: Qty * contract size * price</li> <li>o <b>Complex-option only</b>: ((Sum ([Buy side leg] Qty * Price (leg offer quote) * contract size)) - (Sum ([Sell side leg] Qty * Price (leg bid quote) * contract size))</li> </ul>	✗	✗	✗	✗	✗	All
<b>Max Net Quantity – Day (Net Qty Day)</b>	Net quantity of buys and sells for an entire trading day: <ul style="list-style-type: none"> <li>• <i>Formula(s)</i>: Abs(Daily Buy Qty. – Daily Sell Qty.) &gt; Limit</li> <li>o <b>Options</b>: Buy option qty + net option qty OR net option qty - sell option qty: (daily qty bought + outstanding buy leaves) - (daily qty sold + outstanding sell leaves)</li> <li>o <b>Complex</b>: Net option qty + total option buy leg qty - total option sell leg qty</li> </ul>	✗	✗	✗	✗	✗	All
<b>Max Gross<sup>3</sup> Quantity – Day (Gross Qty Day)</b>	Aggregate quantity of buys and sells for an entire trading day. <ul style="list-style-type: none"> <li>• <i>Formula(s)</i>: Daily Buy Qty. + Daily Sell Qty. &gt; Limit</li> <li>o Gross Option = (daily qty bought + outstanding buy leaves) + (daily qty sold + outstanding sell leaves)</li> <li>o <b>Options</b>: Qty + gross option qty</li> <li>o <b>Complex-option only</b>: Total buy leg qty + total sell leg qty + gross option qty</li> </ul>	✗	✗	✗	✗	✗	All

Risk Setting	Description	Applicable Levels			Breach Level		Asset Class(es)
		Firm	User	Account	Hard Reject	Warning	
<b>Max Gross Notional – Day (Gross Notional Day)</b>	Aggregate value of buys and sells for an entire trading day. <ul style="list-style-type: none"> <li>Formula(s): Daily Buy Notional + Daily Sell Notional &gt; Limit <ul style="list-style-type: none"> <li>Order qty * limit price * contract size) + gross option value</li> <li>Gross Option = ((options bought * fill price * contract size) + (buy lvs * limit price * contract size)) + ((options sold * fill price * contract size) + (sell lvs * limit price * contract size))</li> <li>Complex is based on sum of all legs + gross option value</li> </ul> </li> </ul>	✗	✗	✗	✗	✗	All
<b>Net Position</b>	Maximum allowed position by symbol that can be held at any one time.	✗	✗	✗	✗	✗	All
<b>Allow Market Order</b>	Market orders will be hard rejected if this is not enabled on an account.			✗	✗		All
<b>Allow GTC Order</b>	Allows Good Til Cancel orders (an order to buy or sell a stock that lasts until the order is completed or canceled).			✗	✗		All
<b>Allow Staged Child Orders</b>	Allows intermediate staged child orders (a large block of shares that can be sliced by dividing it into smaller lots in execution of a transaction).			✗	✗		All
<b>Order Throttling (OrderThrottleWindow and OrderThrottleWindowMax)</b>	The maximum number of orders allowed during a set time frame. OrderThrottleWindow sets time frame in seconds. OrderThrottleWindowMax limits the number of orders in a set time frame.			✗	✗		All
<b>Allow Sell to Open</b>	Allows user to sell options to open a position.			✗	✗		Options
<b>Allow Long Sale</b>	There is no long position required to sell if this is enabled on an account.			✗	✗		Equities
<b>Check Open Orders For Allow EqOrderLongSale</b>	Include open buy orders as long volume when allowing Sell Short.			✗	✗		Equities
<b>Exempt from HTB<sup>4</sup></b>	There is no restriction to sell short for this account if enabled.			✗	✗		Equities

<sup>1</sup> Designated firm Risk Administrators can permission individual users to override the maximum limit, which disallows orders past a certain amount. This breach is only available to users with Allow Risk Override enabled, allowing these users to proceed with order entry. Reports are available showing overridden orders.

<sup>2</sup> Notional: Refers to the total \$ amount bought and sold. Notional price is checked on a market order using Bid/Ask.

<sup>3</sup> Gross: Refers to the total amount of shares/contracts bought and sold.

<sup>4</sup> Hard to Borrow: List of stocks that are difficult to borrow for short sale transactions, provided by the broker and/or clearing firms.

## Process to Edit User / Account Risk Settings

Designated Firm Risk Administrators are entitled to update User/Account Risk Settings:

- Select the **Manage Users** (or **Manage Accounts**) under **Firm** in the main Cboe Silexx window.
- Right-click on the user/account and click **Edit**.
- Adjust risk parameters in the **Settings** tab.
- Click **Save**.

## Risk Settings on Cboe Exchanges

Cboe Silexx provides direct market access to Cboe's exchanges. Firms that have direct market access may also establish limits at the FIX session level, as specified in the documents below:

- [US Options Risk Management Specification](#)
- [US Equities/Options Web Portal Port Controls Specification](#)
- [Cboe Futures Exchange Risk Management Specification](#)