



## **EXECUTIVE SUMMARY**

The Options Clearing Corporation (OCC) has announced migration of standard option expiration processing from Saturday to Friday, effective June 21, 2013. This change will result in several benefits including:

- Migration of clearing members towards real-time trade reconciliation and position balancing.
- Coordination of all product expiration types to one repeatable process.
- Alignment of expiration processing for US and European markets.

For further background, please see FAQs on the next page.

## **DETAILS**

- OCC will not change the expiration date of any existing listed options contracts
  - Options will expire on Saturday but will be processed on Friday.
  - The OCC announced that, pending SEC approval, any existing option scheduled to expire prior to February 1, 2015 will have a Saturday expiration date and any newly listed option expiring February 1, 2015 or beyond will have a Friday expiration date.
- Deadlines for expiration processing remain the same:

Submission Type	Deadline (No Change)
Contrary Exercise Instructions	5:30pm ET*
Early Exercise Instructions	5:30pm ET

*\*Regulatory deadline for contrary exercise instructions is 1.5 hours after market close (5:30pm ET on a non-holiday).*

## **Expiration Friday FAQs**

### **1. When will OCC migrate the current Expiration process from Saturday to Friday?**

June 21, 2013. The June 2013 Standard Expiration will be the first Standard Expiration to be processed on Friday evening.

### **2. Will there be any difference between Standard Expiration Friday and Weekly Expiration Friday?**

The Standard Expiration Ex by Ex window will close at 9:15 pm CT instead of 7:00 pm CT as it does for Weekly/Quarterly Expiration.

### **3. Will Options on Futures be impacted by this?**

No. There will be no changes to the expiration processing of Options on Futures.

### **4. Will OCC change the contract expiration date of existing options to Friday?**

No, per OCC rules and SEC mandates, OCC is not allowed to change the expiration date of listed options not subject to a corporate action. However, at a certain point in the future, OCC will start adding products with an expiration date of Friday. The cutover date for adding products with an expiration date of Friday has been established as February 1, 2015.

### **5. How will the Expiration Cutover Date work?**

The cutover date has been finalized as February 1, 2015. As an example for the cutover date, any option scheduled to expire prior to February 1, 2015 will have a Saturday expiration date, and any option expiring February 1, 2015 or beyond will have a Friday expiration date.

### **6. Will I ever have an expiration with a Friday and Saturday date?**

Yes, for a specific product, you can have the standard options listed with a Saturday date and a flex option listed with a Friday date. However, all expiration processing for both dates will take place on Friday.

### **7. Will series for a standard option product have different expiration dates within the same expiring month? For example, will I have one IBM option series expiring on Friday while another IBM series expires on Saturday?**

No, series within the same month will always have either a Friday expiration date or a Saturday expiration date. There will never be series expiring in the same month with both Friday and Saturday expiration dates.

### **8. How will the expiration dates for stock splits and mergers be handled?**

The adjusted series resulting from any stock split or merger will retain the original expiration date. For example, using February 1, 2015 as the cutover date, any adjusted option with an expiration date prior to February 1, 2015 will have a Saturday expiration date, and any adjusted option expiring February 1, 2015 or beyond will have a Friday expiration date.

### **9. How will cash accelerated options be handled and what will be the expiration date?**

The accelerated options will be adjusted as using the Expiration Cutover Date. If the option is accelerated prior to February 1, 2015, the accelerated options will have a Saturday expiration date. If the option is accelerated after February 1, 2015, the accelerated options will have a Friday expiration date.

### **10. When will stock settlement occur for a Friday night expiration?**

Stock settlement will continue to settle on T+3 which is normally a Wednesday after expiration.