

**Chapter 368A**  
**Options on E-mini Standard & Poor's**  
**SmallCap 600 Stock Price Index Futures**

**368A00. SCOPE OF CHAPTER**

This chapter is limited in application to options on E-mini S&P SmallCap 600 Stock Price Index futures ("futures"). In addition to this chapter, options on futures shall be subject to the general rules and regulations of the Exchange as applicable.

Unless otherwise specified, times referenced herein shall refer to and indicate Chicago time.

**368A00.A. Primary Listing Exchange**

For the purposes of this chapter a Primary Listing Exchange shall be as defined in the "Plan to Address Extraordinary Market Volatility Submitted to the Securities and Exchange Commission Pursuant to Rule 608 of Regulation NMS Under the Securities Exchange Act of 1934" approved 31 May 2012 by the U.S. Securities and Exchange Commission ("SEC"), as amended from time to time (SEC, SRO Rulemaking, National Market System Plans, File 4-631).

**368A00.B. Regulatory Halt**

For the purposes of this chapter a Regulatory Halt shall be as defined in the "Plan to Address Extraordinary Market Volatility Submitted to the Securities and Exchange Commission Pursuant to Rule 608 of Regulation NMS Under the Securities Exchange Act of 1934" approved 31 May 2012 by the SEC, as amended from time to time (SEC, SRO Rulemaking, National Market System Plans, File 4-631) and as implemented under New York Stock Exchange Rule 80B for Trading Halts Due to Extraordinary Volatility or under Nasdaq Stock Market Rule 4121 for Trading Halts Due to Extraordinary Volatility.

**368A01. OPTIONS CHARACTERISTICS**

**368A01.A. Contract Months, Trading Hours and Trading Halts**

Options shall be listed for expiration on such dates and shall be scheduled for trading during such hours as may be determined by the Exchange, provided that there shall be no trading in options when trading is halted in the Primary Futures Contract Month pursuant to Rule 36802.I.

In accordance with Rule 36802.I. the Exchange shall determine, in its sole discretion, the futures delivery month that represents such Primary Futures Contract.

**368A01.B. Trading Unit**

The trading unit shall be an option to buy, in the case of the call, or to sell, in the case of the put, one E-mini S&P SmallCap 600 Index futures contract as specified in Chapter 368.

**368A01.C. Minimum Fluctuations**

Option prices shall be quoted in Index points. Each Index point shall represent \$100.00 per option contract.

The minimum price fluctuation shall be 0.10 Index points (equal to \$10 per option contract), *provided that* trade may occur at a price of 0.05 Index points (equal to \$5 per option contract), irrespective of whether such trade results in the liquidation of positions for both parties to such trade.

**368A01.D. Underlying Futures Contract**

1. American Style Options in the March Quarterly Cycle ("Quarterly Options")

For any American style option for which the expiration month is in the March quarterly cycle (i.e., March, June, September, or December), the Underlying Futures Contract shall be for delivery in such option's expiration month. Example: For a given year, futures for delivery in March shall be the Underlying Futures Contract for a March Quarterly option.

2. American Style Options Not in the March Quarterly Cycle ("Serial Options")

For any American style option for which the expiration month is not in the March quarterly cycle (i.e., January, February, April, May, July, August, October, or November), the Underlying Futures Contract

shall be for delivery in the March quarterly cycle month next following such option's expiration month. Example: For a given year, futures for delivery in March shall be the Underlying Futures Contract for a January Serial option and for a February Serial option.

#### **368A01.E. Exercise Prices**

##### **1. Quarterly Options**

On any Business Day, the Exchange shall ensure that Quarterly put and call options are listed for trading at all eligible exercise prices, as follows:

##### **5 Point Exercise Prices**

For Quarterly options exercisable into a given Underlying Futures Contract (Rule 368A01.D.1.), the Exchange shall ensure that such put and call options are listed for trading at all exercise price levels that are integer multiples of 5 Index points (e.g., 155, 160, 165) and that lie within a range from 50 Index points below to 50 Index points above the preceding Business Day's daily settlement price for such Underlying Futures.

##### **2.5 Point Exercise Prices**

As of the day on which an Underlying Futures Contract for a given delivery month becomes the futures contract second-nearest to delivery in the March quarterly cycle (Rule 368A01.D.1.), the Exchange also shall ensure that Quarterly put and call options exercisable into such Underlying Futures Contract are listed for trading at all exercise price levels that are integer multiples of 2.5 Index points (e.g., 155.0, 157.5, 160.0) and that lie within a range from 15 Index points below to 15 Index points above the preceding Business Day's daily settlement price for such Underlying Futures.

##### **2. Serial Options**

Exercise prices for options not in the March quarterly cycle listed for trading shall be identical to the exercise prices that are listed for the March quarterly options on the same underlying futures contract. For example, the exercise prices listed for the January contract shall be identical to those listed for the March contract.

New options may be listed for trading on any Business Day up to and including the termination of trading in such options.

The Exchange may modify the provisions governing the establishment of exercise prices as it deems appropriate.

#### **368A01.F. Position Limits, Exemptions, Position Accountability and Reportable Levels**

The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.

A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

#### **368A01.G. Nature of Options**

Upon exercise of a put option by the buyer of such option, the seller of such option shall incur the obligation to assume a long position in one Underlying Futures Contract (Rule 368A01.D.) at such option's exercise price (Rule 368A01.E.). Upon exercise of a call option by the buyer of such option, the seller of such option shall incur the obligation to assume a short position in one Underlying Futures Contract at such option's exercise price.

##### **1. Quarterly Options and Serial Options**

The buyer of a Quarterly option (Rule 368A01.D.1.) or a Serial option (Rule 368A01.D.2.) may exercise such option at any time prior to its expiration.

#### **368A01.H. [Reserved]**

#### **368A01.I. Termination of Trading**

#### 1. Quarterly Options

Trading in any Quarterly option shall terminate on the same date and at the same time as the termination of trading in such option's Underlying Futures Contract (Rule 368A01.D.1.).

#### 2. Serial Options

Trading in any Serial option shall terminate at the close of trading in such option's Underlying Futures Contract (Rule 368A01.D.2.) on the third Friday of such option's expiration month. If such third Friday is not a scheduled Business Day, then trading in expiring options shall terminate on the first preceding Business Day.

If the market in the Underlying Futures Contract for such option does not open on the day scheduled for termination of option trading, trading in such option shall terminate on the next day on which the market in such Underlying Futures Contract is open for trading.

#### 3. Unscheduled Market Holiday

Notwithstanding the aforementioned, if the Primary Listing Exchange (Rule 368A00.A.) is closed in observance of an unscheduled market holiday on a day previously scheduled as a Business Day, then trading in option contracts that had been scheduled to expire on such day shall terminate, and such option contracts shall expire, on the Business Day immediately preceding such unscheduled market holiday.

#### **368A01.J. [Reserved]**

### **368A02. EXERCISE AND ASSIGNMENT**

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of options.

#### **368A02.A. Exercise**

##### 1. Quarterly Options and Serial Options

Any Quarterly option (Rule 368A01.D.1.) or Serial option (Rule 368A01.D.2.) may be exercised by the buyer on any Business Day on which such option may be traded. To exercise such option, the clearing member representing the option buyer shall present an exercise notice to the Clearing House by 5:30 p.m., or by such other time as the Exchange may designate, on the day of exercise.

Any unexercised option shall expire at 5:30 p.m. on the last day of trading in such option (Rule 368A01.I.). Any option that is in the money, and that has not been liquidated or exercised prior to its termination of trading, shall be exercised automatically upon expiration, in the absence of contrary instructions. Such contrary instructions must be delivered to the Clearing House, by the clearing member representing the buyer of such option, no later than 5:30 p.m., or such other time as may be designated by the Exchange, on the last day of trading in such option.

A call option shall be in the money if the settlement price of such option's Underlying Futures Contract (Rule 368A01.D.) on the last day of trading in such option (Rule 368A01.I.) is strictly above such option's exercise price, and shall be out of the money if such settlement price is at or below such option's exercise price.

A put option shall be in the money if the settlement price of such option's Underlying Futures Contract on the last day of trading in such option is strictly below such option's exercise price, and shall be out of the money if such settlement price is at or above such option's exercise price.

#### **368A02.B. Assignment**

For a given option contract, an exercise notice accepted by the Clearing House in accordance with Rules 368A02.A. shall be assigned by the Clearing House through a process of random selection to clearing members carrying open short positions in such option contract. A clearing member to whom such exercise notice has been assigned shall be notified thereof as soon as practicable following such assignment.

The clearing member to whom such exercise notice has been assigned shall be assigned a short position in such option's Underlying Futures Contract (Rules 368A01.D.) if such option is a call, or a long position in such option's Underlying Futures Contract if such option is a put. The clearing member representing the option buyer making exercise shall be assigned a long position in such option's

Underlying Futures Contract if such option is a call, or a short position in such option's Underlying Futures Contract if such option is a put.

All such futures positions shall be assigned at a price equal to the exercise price of such option contract, and shall be marked to market (in accordance with Rule 814) on the Business Day on which the Clearing House accepts such exercise notice.

### **368A03. [RESERVED]**

(End Chapter 368A)

S&P Dow Jones Indices LLC directly or through one or more affiliates (collectively, "S&P") licenses the Exchange to use various S&P stock indices ("S&P Stock Indices") in connection with the trading of futures contracts and options on futures contracts based upon such indices. S&P shall have no liability for any damages, claims, losses or expenses caused by any errors or delays in calculating or disseminating the S&P Stock Indices.

S&P Dow Jones Indices LLC and its affiliates (collectively, "S&P") do not guarantee the accuracy and/or completeness of the S&P Stock Indices or any data included therein. S&P makes no warranty, express or implied, as to the results to be obtained by any person or any entity from the use of the S&P Stock Indices or any data included therein in connection with the trading of futures contracts, options on futures contracts or any other use. S&P makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to the S&P Stock Indices or any data included therein. Without limiting any of the foregoing, in no event shall S&P have any liability for any special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages.

#### **INTERPRETATIONS & SPECIAL NOTICES RELATING TO CHAPTER 368A**

S&P Dow Jones Indices LLC directly or through one or more affiliates (collectively, "S&P") licenses the Exchange to use various S&P stock indices ("S&P Stock Indices") in connection with the trading of futures contracts and options on futures contracts based upon such indices. S&P shall have no liability for any damages, claims, losses or expenses caused by any errors or delays in calculating or disseminating the S&P Stock Indices.

S&P Dow Jones Indices LLC and its affiliates (collectively, "S&P") do not guarantee the accuracy and/or completeness of the S&P Stock Indices or any data included therein. S&P makes no warranty, express or implied, as to the results to be obtained by any person or any entity from the use of the S&P Stock Indices or any data included therein in connection with the trading of futures contracts, options on futures contracts or any other use. S&P makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to the S&P Stock Indices or any data included therein. Without limiting any of the foregoing, in no event shall S&P have any liability for any special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages.