

## Chapter 116 Silver Option

### 116100. SCOPE OF CHAPTER

This chapter is limited in application to put and call options on Silver futures contracts. In addition to the rules of this chapter, transactions in options on Silver futures shall be subject to the general rules of the Exchange insofar as applicable.

### 116101. OPTION CHARACTERISTICS

The number of months open for trading at a given time shall be determined by the Exchange.

For each Silver Option month traded on the Exchange, the underlying Silver Futures contract month shall be the March, May, July, September, or December Silver Futures contract, determined as follows:

<u>Option Contract Months Listed</u>	<u>Exercise into Underlying Futures</u>
January, February, March	March
April, May	May
June, July	July
August, September	September
October, November, December	December

#### 116101.A. Trading Schedule

The hours of trading for this contract shall be determined by the Exchange.

#### 116101.B. Trading Unit

A Silver put or call option contract traded on the Exchange represents an option to assume a short or long position in the underlying futures contract traded on the Exchange.

#### 116101.C. Price Increments

Prices shall be quoted in dollars and cents per ounce. The minimum price increment will be one-tenth of one cent per troy ounce of silver.

#### 116101.D. 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.

#### 116101.E. Termination of Trading

A Silver option shall expire at the close of trading four business days prior to the end of the month preceding the option contract month; provided, however, that (1) if such day is a Friday, the expiration date shall be the preceding business day or (2) if such day is the day immediately prior to an Exchange holiday, the expiration date shall be the preceding business day. In the event that the official Exchange holiday schedule changes subsequent to the listing of a Silver futures option, the originally listed expiration date shall remain in effect. In the event that the originally listed expiration day is declared a holiday, expiration will move to the business day immediately prior.

**116101.F. Type of Option**

The option is an American-style option which can be exercised on any business day prior to and until expiration day.

**116102. EXERCISE PRICES AND CHARACTERISTICS**

Transactions shall be conducted for option contracts as set forth in Rule 300.20.

**116103. SPECIAL PRICE FLUCTUATION LIMITS**

At the commencement of each trading day, the contract shall be subject to special fluctuation limits as set forth in Rule 589 and in the Special Price Fluctuation Limits Table in the Interpretations & Special Notices Section of Chapter 5.