

Regulatory Circular RG96-100

Date: December 11, 1996
To: Members
From: Regulatory Services Division
Re: Closing Rotation on December 31, 1996

The Tax Reform Act of 1984 provides that open option positions held by market-makers at year end will be marked-to-the-market in order to calculate profits and losses for tax purposes. The Equity, OEX and SPX Floor Procedure Committees have addressed the importance of this mark-to-the-market provision and have directed that, in the interest of a fair and orderly determination of closing prices, a closing rotation will be held in all option classes on December 31, 1996. The rotations will begin at the close of trading in each class.

Rules of conduct relating to the establishing of mark-to-the-market values and trading rotations will be in full force and effect.

Any questions may be directed to the Trading Floor Liaison at (312) 786-7847, ext. 4068 from on the floor, Beeper #9000 or to Margaret Williams (312) 786-7834, or Patricia Cerny (312) 786-7722, Department of Market Regulation.

(RG95-103 Reissued)

