



Process Changes to SPX Opening on VIX Options and Futures Settlement Dates During Extreme Market Conditions

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Overview

Applicable Cboe Exchange: Cboe Options

In light of current market events, there is a possibility of extreme market conditions leading into the opening of S&P 500 Index (SPX) options on the settlement day for VIX options and VIX futures, including on March 18, 2020 and subsequent settlement dates. In such case, the Cboe options will follow the SPX opening process outlined below.

Details

In the event that Cboe Exchange, Inc. (Cboe) determines that the interests of a fair and orderly market require, Cboe will delay the opening of SPX options, including the constituent series used to calculate the final settlement value for expiring VIX options and VIX futures. Cboe anticipates that the special opening quotation (SOQ) utilized for that calculation will use the prices of constituent series determined in that delayed opening. Considerations that may lead to a determination to delay the SPX opening include, but are not limited to, the Primary Futures Contract Month in E-mini S&P 500 Index futures traded on Chicago Mercantile Exchange being limit offered or limit bid at 9:15 a.m. ET on that morning.

If Cboe is not able to determine the final settlement value for VIX options and VIX futures (e.g., unable to open constituent series needed to calculate the SOQ), Cboe and CFE rules provide, respectively, that the final settlement value will be determined in accordance with The Options Clearing Corporation (OCC)'s By-Laws. In such a situation, OCC may fix the exercise settlement amount by convening a panel of exchange representatives, which will endeavor to determine a final settlement value on the scheduled settlement day by utilizing prices and market data from that day.

Additional Information

Please contact the Cboe Trade Desk or your Business Development contact for support or with any questions.

We appreciate your business and remain committed to powering your potential with Cboe products, technologies, and solutions.

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