



BZX Regulatory Circular 19-005
C2 Options Regulatory Circular 19-006

Cboe Options Regulatory Circular 19-006
EDGX Regulatory Circular 19-005

Date: January 15, 2019
To: Trading Permit Holders and Members
From: Regulatory Division
RE: Supplement to the Options Disclosure Document

On November 9, 2018, the Securities and Exchange Commission approved a Supplement to the Options Disclosure Document (“ODD”).¹ The ODD contains general disclosures on the characteristics and risks of trading standardized options and has been amended to include:

- Disclosures regarding foreign currency index options and implied volatility index options;
- Disclosures regarding certain contract adjustments; and
- Disclosures regarding the T+2 settlement cycle.

The Supplement must be distributed to customers in accordance with the rules of your designated options examining authority regarding delivery of supplements to the ODD, including delivery by electronic means. Questions should be addressed to your designated options examining authority.

To the extent one of the Cboe affiliated exchanges is your designated options examining authority, Trading Permit Holders (“TPHs”) and Members should be aware that Cboe Options and C2 Options Rule 9.15 and BZX Options and EDGX Options Rule 26.10 require that each customer who was previously furnished an ODD be furnished with a copy of an amendment to the current ODD. TPHs and Members may comply with this requirement in various ways including, but not limited to, one of the following:

- (1) TPHs and Members may choose to deliver the Supplement to all of their approved customers who have already received the ODD. A firm may deliver the Supplement electronically to its customers, provided that such delivery comports with SEC Rules respecting electronic delivery.
- (2) TPHs and Members may deliver the Supplement to a customer, who has already received the ODD, with the first confirmation of a transaction involving the category of options to which the amendments pertain.

Further, a copy of the ODD as amended to include the supplement must be delivered to all new options customers. Copies of the ODD or the supplement, including information on how to obtain a printed version of the ODD or the supplement, are located on The Options Clearing Corporation (“OCC”) website at: <https://www.theocc.com/about/publications/character-risks.jsp>.

Additional Information

For additional information please see OCC Information Memos #43927 and #43987 which can be found on the OCC website at: <https://www.theocc.com/webapps/infomemos>.

¹ See [SR-ODD-2018-01](#) for the complete text of the approval order.

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Please contact Regulatory Interpretations at reginterps@cboe.com or (312) 786-8141 for additional information.