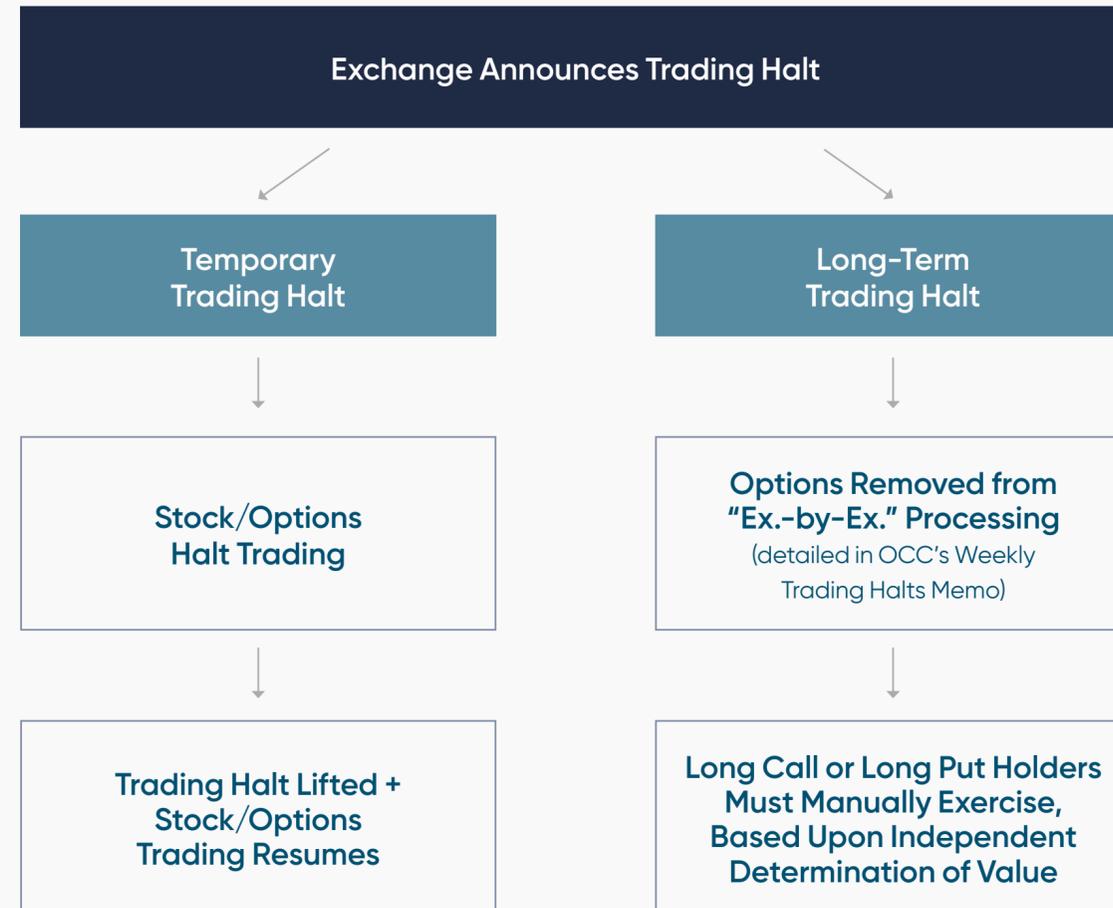


Primer: Intro to Trading Halts

A listing exchange decides to halt trading of an underlying security. Trading of options on these securities subsequently is halted across all listing option exchanges. The trading halt may be brief or long-term in duration. The listing exchange may eventually make the decision to resume trading.

Each day, OCC staff monitors the trading status of underlying securities with listed options. When an underlying security is halted for a longer duration, options on the underlying security will generally be included on OCC's weekly Trading Halts memo, which lists options removed from OCC's automatic exercise, or Ex.-by-Ex. Processing.* This removal does not prevent the options from being exercised manually through a brokerage or trading firm. Instead, it requires Clearing Members to submit affirmative instructions to exercise long option positions. This process is further detailed in the weekly Trading Halts memo found on OCC's public website.



Trading Halts

Trading of underlying securities may be halted in response to events which may involve:

- Corporate Actions
- Regulatory Concerns
- Government Sanctions/ Intervention
- Trade Imbalances
- Pending News

These trading halts may be temporary or more long-term in duration. If temporary, options trading will resume as normal. If long-term, options will likely be removed from OCC's 'Ex.-by-Ex.' processing.

* OCC does not generally impose exercise restrictions on options that are removed from automatic exercise processing. Clearing Members may submit exercise instructions to OCC, and OCC will utilize a random assignment method to generate assignments for exercises received. Subsequently, Clearing Members may employ a different method of assigning their customers. The resulting exercise and assignment instructions are transmitted to NSCC for the delivery and settlement of physical shares in fulfillment of the obligations of a contract's terms. [Read OCC By-Laws and Rules.](#)