



## Regulatory Bulletin

NYSE Amex Options RB 17-01  
NYSE Arca Options RB 17-01

January 5, 2017

To: NYSE ARCA OTP HOLDERS & OTP FIRMS  
NYSE AMEX ATP HOLDERS

From: NYSE REGULATION

Subject: **TRANSACTIONS IN CLOSING ONLY OPTION SERIES**

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NYSE Regulation is issuing this bulletin to remind OTP Holders, OTP Firms, and ATP Holders of certain rules and procedures that must be followed when NYSE Arca, Inc. ("NYSE Arca") and NYSE MKT LLC ("NYSE MKT", together with NYSE Arca, the "Exchange") have limited certain option series to closing-only transactions.

### Other Restrictions on Exchange Options Transactions and Exercises

NYSE Arca Options Rule 6.11 and NYSE MKT Rule 909 authorize the Exchange to impose, from time to time in its discretion, such restrictions on Exchange option transactions or the exercise of option contracts in one or more series of options of any class dealt on the Exchange as it deems advisable in the interests of maintaining a fair and orderly market.

When a restriction is imposed in the form of restricting transactions in certain option series to closing-only transactions, limited exceptions apply, as described below.

### Exceptions to Closing-Only Options Transactions

An OTP Holder, OTP Firm, or ATP Holder may enter an opening transaction only to facilitate the closing transactions of a Customer. In this context, Customer means an individual or organization that is not a Broker-/Dealer.

Additionally, an OTP or ATP Holder that is acting as a Market Maker pursuant to NYSE Arca Rule 6.32 or NYSE MKT Rule 920NY may enter an opening transaction in order to facilitate closing transactions of another market participant.

### OTP and ATP Holders Acting as Order Flow Providers and OTP and ATP Holders Acting as Floor Brokers

OTP and ATP Holders who submit, as agent, orders to the Exchange are cautioned not to accept or enter opening orders for any option series that has been designated as closing only, unless an exception, as described above, applies.

## **FAQs**

1. Question: Can Broker/Dealers acting as market makers on another exchange (i.e., Non-OTP or Non-ATP Holder Market Makers) be solicited to enter into opening transactions to enable closing transactions of any other market participant?

Answer: No. Only OTP or ATP Holders acting as Market Makers pursuant to NYSE Arca Options Rule 6.32 or NYSE MKT Rule 920NY may enter an opening transaction in order to facilitate closing transactions of any other market participant.

2. Question: Since OTP or ATP Holders acting as Market Makers pursuant to NYSE Arca Options Rule 6.32 or NYSE MKT Rule 920NY can enter an opening transaction to facilitate the closing transaction of any market participant, may they enter a “closing” order even if the Market Maker is opening?

Answer: No. Opening orders in closing only series are systemically blocked, even for Market Makers who are permitted to open when enabling a closing transaction of another market participant. Market Makers, however, can enter quotes, which are neither marked opening nor closing, when there is a closing order in the Consolidated Book with which they wish to trade. No market participant should enter a closing order to circumvent the systemic block on opening orders in an attempt to open a new position.

## **Contact Information**

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