



**THE FOUNDATION  
FOR SECURE  
MARKETS**

**#47063**

**DATE: MAY 29, 2020**  
**SUBJECT: POTENTIAL COMPANY DELISTINGS**

OCC is publishing this Information Memo in response to questions OCC has received regarding the recent passage of Senate bill S. 945 by the U.S. Senate. If ultimately enacted in its current form, the proposed legislation could lead to trading limitations on securities of certain non-U.S. issuers at a future date. Independent of the legislation, it remains possible that companies and other securities issuers may elect to remove their securities from U.S. markets at any time. Any of these events could affect the availability of securities underlying listed options cleared by OCC.

OCC routinely monitors for the delisting of underlying securities from U.S. stock markets. In the event that the security underlying an option is delisted, option exchanges may limit trading in that option to allow only closing transactions, or option exchanges may halt or suspend trading, depending on the circumstances of the delisting of the underlying security. In certain situations, OCC may utilize alternative settlement procedures in accordance with OCC By-Laws for exercise and assignment activity of such options. Alternative settlement procedures may include requiring broker-to-broker settlement or fixing a cash settlement price if Clearing Members are unable to effect broker-to-broker settlement or in the absence of a corporate action or similar event on the underlying security.

Options investors are reminded that the unavailability of underlying securities is a risk associated with options trading. Information on this and other risks can be found in the options disclosure document, *Characteristics and Risks of Standardized Options* (also known as the "ODD"), which is available on OCC's website at <https://www.theocc.com/about/publications/character-risks.jsp>.

If you have any questions regarding this memo, please contact the Member Services Help Desk at the following numbers: 800-544-6091 or 800-621-6072. Within Canada, please call 800-424-7320. Clearing Members may also e-mail Member Services at [memberservices@theocc.com](mailto:memberservices@theocc.com).