



**THE FOUNDATION  
FOR SECURE  
MARKETS**

**#50784**

**Date:** July 27, 2022

**Subject:** VanEck Russia ETF - Settlement Update  
Option Symbol: RSX  
\* \* \* Effective Immediately \* \* \*

On July 22, 2022, the Office of Foreign Assets Control of the U.S. Department of Treasury published Russia-related General License 45, which permits, through October 20, 2022, certain transactions that are ordinarily incident and necessary to the wind down of financial contracts or other agreements that were entered into on or before June 6, 2022, and involve, or are linked to, debt or equity securities issued by an entity in the Russian Federal.

Pursuant to OCC By-Law Article VI, Section 19, OCC has determined that, effective July 27, 2022, all RSX exercise and assignment activity between March 26, 2022, and July 26, 2022, will no longer be subject to delayed settlement as outlined memo #50606 and will settle broker to broker. Exercise and assignment activity from July 27, 2022, and thereafter will be subject settle broker to broker until further notice. The deliverable for RSX options contracts will remain the underlying 100 RSX Shares.

#### **Broker-to-Broker Settlement**

If it is not possible for the delivering Clearing Member to effect delivery of the RSX Shares on the designated settlement date, then the settlement obligations of both delivering and receiving Members shall be delayed until such time as OCC designates a new exercise settlement date, settlement method and/or settlement value. This determination allows delivering Members the opportunity to effect settlement if they have RSX Shares and are able to effect delivery, but delays the settlement obligation when this is not possible. Both the delivering and receiving Clearing Members are required to immediately notify OCC if they are unable to effect settlement.

In determining that delivery of the RSX Shares is in fact not possible in respect of a given exercise or assignment, OCC shall require an appropriate officer(s) of the delivering Clearing Member to represent in writing that delivery is not possible. (Upon exercise or assignment of RSX options, OCC will contact each delivering Clearing Member to provide the specific requirements and procedures for such representation.)

Pursuant to customary OCC broker to broker settlement procedures, inability to effect delivery may subsequently occasion cash settlement as determined by OCC.

OCC may also consider other alternate methods of settlement such as requiring a buy-in of shares by the receiving clearing member pursuant to OCC Rules. See OCC Information Memo #50206 for additional information on broker-to-broker settlement.

#### **Broker-to-Broker Delivery Advice/Settlement Procedures**

Clearing Members should note that RSX exercise and assignment activity will be reported on the Broker-to-Broker Delivery Advice, which is a separate report from the regular Delivery Advice. Members will need to refer to this report each day to be informed of RSX exercise/assignment activity. The Broker-to-Broker Delivery Advice will also identify the opposite side Clearing Member with whom settlement is to be made. Members are responsible for contacting the opposite side on all RSX activity and for making arrangements for settlement. Both delivering and receiving Members are also reminded of their obligation to inform OCC when settlement is made. OCC will continue to margin RSX exercise/assignment activity until settlement is accomplished.

### **Disclaimer**

This Information Memo provides an unofficial summary of the terms of corporate events affecting listed options or futures prepared for the convenience of market participants. OCC accepts no responsibility for the accuracy or completeness of the summary, particularly for information which may be relevant to investment decisions. Option or futures investors should independently ascertain and evaluate all information concerning this corporate event(s).

The determination to adjust options and the nature of any adjustment is made by OCC pursuant to OCC By-Laws, Article VI, Sections 11 and 11A. The determination to adjust futures and the nature of any adjustment is made by OCC pursuant to OCC By-Laws, Article XII, Sections 3, 4, or 4A, as applicable. For both options and futures, each adjustment decision is made on a case by case basis. Adjustment decisions are based on information available at the time and are subject to change as additional information becomes available or if there are material changes to the terms of the corporate event(s) occasioning the adjustment.

**ALL CLEARING MEMBERS ARE REQUESTED TO IMMEDIATELY ADVISE ALL BRANCH OFFICES AND CORRESPONDENTS ON THE ABOVE.**

For questions regarding this memo, please email the Investor Education team at [options@theocc.com](mailto:options@theocc.com). Clearing Member Firms of OCC may contact Member Services at 1-800-544-6091 or, within Canada, at 1-800-424-7320, or email [memberservices@theocc.com](mailto:memberservices@theocc.com).