



**THE FOUNDATION
FOR SECURE
MARKETS®**

#60089

Date: October 28, 2026

Subject: EQUITY BINARY OPTION PRODUCTS

To prepare for the listing of binary options on single name equities and ETFs, OCC is providing clearing information on the product, which will be supported beginning Thursday, October 29, 2026. Equity binary options will be classified as Equity options with a sub-classification of binary (BINY) and a settlement method of Cash Fixed Return (CFR). Both tags will be visible on equity binary options in OCC's nightly DDS security definition file. Clearing Members who are eligible to clear equity options will automatically be eligible to clear equity binary options.

At expiration, equity binary options will pay a predetermined fixed cash amount. Settlement is determined solely by whether the underlying equity or ETF settles at, above, or below the strike price. There is no physical delivery of the underlying security. Contrary Intentions are not allowed for equity binary options.

Equity Binary Options

- ☐ For call exercises, if the underlying settles at or above the strike price at expiration, there will be a fixed cash payment from the short call writer to the long call holder. If the underlying settles below the strike price at expiration, there will be no payout.
- ☐ For puts, if the underlying settles .001 or more below the strike price at expiration, there will be a fixed cash payment from the short put writer to the long put holder. If the underlying settles at or above the strike price at expiration, there will be no payout.
- ☐ Please see the listing exchange website for product specifications, settlement price determination, and exercise thresholds for any equity binary product offerings.

Symbology

Equity binary options will trade under their own unique symbols, separate from the standard options on the same underlying. Each trading symbol is "B1" followed by the last three characters of the underlying's equity symbol. If the last three letters would match an existing symbol, an alternate suffix may be used.

Participants should rely on the DDS security definition file as the source for each trading symbol and the underlying equity.

Examples:

- ☐ Apple (AAPL) will be **B1APL**
- ☐ Tesla (TSLA) will be **B1SLA**

The symbology is distinctly different from the standard options on the same underlying.

DDS Tags

Participants should reference the following tags to identify equity binary options on the security definition file.

- ☐ Tag 107 (Desc) will have an enumeration of BINY (Binary)
- ☐ Tag 1039 (SetMeth) will have an enumeration of CFR (Cash Fixed Return)

Tag 1039 (SetMeth) is also included in the Settlement Activity file and will have an enumeration of CFR (Cash Fixed Return) for equity binary options.

If you have any questions, please contact your Clearing Member representative or the Member Services Help Desk at the following numbers: 800-621-6072 or 800-544-6091. Within Canada, please call 800-424-7320. Clearing Members may also e-mail us at memberservices@theocc.com