

Options Clearing Rules

CHAPTER 2

CLEARING BY SEOCH

202. (1) Unless otherwise specified in the Options Trading Rules, the Operational Clearing Procedures and these Clearing Rules, immediately upon an Options Contract being validly made under Options Trading Rule 513, it shall, by operation of this Clearing Rule and the First Schedule to these Clearing Rules, be replaced by OCH Contracts and/or NCP Contracts in accordance with the substitution and novation process laid out in the First Schedule to these Clearing Rules. Unless otherwise specified in the Options Trading Rules, the Operational Clearing Procedures and these Clearing Rules, every OCH Contract and NCP Contract shall be validly made at the time when the details of the Options Contract from which it is derived are recorded in the Transaction Register of the Options Trading System. The Transaction Register of the Options Trading System or such other record as SEOCH shall in its sole discretion accept, together with the Standard Contract, the Options Trading Rules and these Clearing Rules, shall be conclusive evidence of OCH Contracts and NCP Contracts which have been validly made unless the SEOCH Board otherwise determines in exceptional circumstances.
- (2) An Options Contract that is executed as a Block Trade shall, by operation of this Clearing Rule and the First Schedule to these Clearing Rules, be replaced by OCH Contracts and/or NCP Contracts in accordance with the substitution and novation process laid out in the First Schedule to these Clearing Rules only upon SEOCH being satisfied that the Block Trade recorded in the Transaction Register of the Options Trading System is a valid Block Trade and all criteria applicable to the Block Trade, including but not limited to the deposit of any Special Block Trade Margin, have been satisfied. Unless a SEOCH Participant receives any oral or written notice from the Exchange or SEOCH that a Block Trade is not valid or not all criteria have been satisfied or the Block Trade shall not be cleared for any other reason, the Block Trade shall be deemed to have been validly made and subject to the process of substitution and novation upon the recording of such Block Trade in the Transaction Register. The Exchange will endeavour to notify the SEOCH Participant of any issue concerning any criteria set forth in Regulation 2 of the Third Schedule to the Options Trading Rules within 30 minutes of the execution by the SEOCH Participant of the Block Trade.