

OPTIONS EXCHANGE

Market Information Circular

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Subject: ISE Handling of New Single Stock Circuit Breakers

The purpose of this Market Information Circular is to inform members that, with the introduction of the new single stock circuit breakers being enforced for the purpose of trading halts of an underlying security, ISE will continue to act in accordance with ISE Rule 702 (3):

“(ISE) will halt trading for a class or classes of options contracts whenever there is a halt of trading in an underlying security in the primary market. In such event, without the need for action by the Primary Market Maker, all trading in the effected class or classes of options shall be halted”.

Our system is coded to halt options trading for the specific product immediately upon receipt of a halt message disseminated by that product’s primary listing exchange.

Points of Note:

- No trading will take place when a product is in the halt state.
- ISE quotes will not be zeroed out upon a halt. Instead, a message will be sent to OPRA with our last internal BBO and the quote condition "halt".
- Our order books will remain open during the halt so that members can access resting orders, enter new orders or update quotes.
- IOC orders will be accepted and remain as live orders on our book for the time period we are halted and will be included in our reopening rotation.
- ISO orders entered while we are halted will be rejected.
- All resting orders prior to the halt will remain on our books. ISE will not cancel them.
- The reopening rotation is handled in the same fashion as the opening rotation. There will be no indicative quote sent before we reopen but you should expect a prompt open to the option products as soon as the security is opened on its' primary listing exchange.

If you have any questions regarding our handling of new single stock circuit breakers, please contact ISE Market Operations at 877-473-9989 or email helpdesk@ise.com.