

Information Notice

March 2022 Options Disclosure Document

FINRA is advising member firms that the Options Clearing Corporation has issued the [March 2022](#) Options Disclosure Document (ODD). The ODD contains general disclosures on the characteristics and risks of trading standardized options. The March 2022 ODD: (i) contains supplemental material to accommodate trading of certain index options and index flex options with a multiplier of one; and (ii) makes certain administrative changes to correct references to chapter subtitles contained in the original ODD text and to update references to sections in the document.

Rule 9b-1 under the Securities Exchange Act requires broker-dealers to deliver the ODD and supplements to customers. FINRA has similar requirements in FINRA Rule 2360(b)(11)(A)(1), which, among other things, requires firms to deliver the current ODD to each customer at or before the time the customer is approved to trade options.

To comply with the requirements of FINRA Rule 2360(b)(11)(A)(1), firms may distribute the March 2022 ODD in various ways, including, but not limited to, one of the following:

1. conducting a mass mailing of the March 2022 ODD to all of its customers approved to trade options and who have already received the ODD; or
2. distributing the March 2022 ODD to a customer who has already received the ODD, not later than the time a customer receives a confirmation of a transaction in the category of options to which the amendment pertains.

FINRA reminds firms that they may electronically transmit documents, including the ODD, that they are required to furnish to customers under FINRA rules, provided the firm adheres to the standards contained in the October 1995 and May 1996 Securities and Exchange Commission releases, and as discussed in [Notice to Members 98-03](#). Firms may also transmit the ODD to customers who have consented to electronic delivery through the use of a hyperlink.

Questions regarding this *Notice* may be directed to Office of General Counsel at (202) 728-8071.

May 6, 2022

Suggested Routing

- ▶ Compliance
- ▶ Institutional
- ▶ Legal
- ▶ Options
- ▶ Senior Management
- ▶ Trading

Key Topics

- ▶ Index Options
- ▶ Options
- ▶ Options Disclosure Document (ODD)

Referenced Rules & Notices

- ▶ FINRA Rule 2360
- ▶ Notice to Members 98-03

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