

# Information Notice

## Options Disclosure Document

FINRA is advising member firms that the Options Clearing Corporation has issued the [June 2024](#) Options Disclosure Document (ODD). The ODD contains general disclosures on the characteristics and risks of trading standardized options. The June 2024 ODD contains new language to update (i) the list of options markets to include MEMX, LLC and (ii) settlement information to reflect T+1 settlement.

Rule 9b-1 under the Securities Exchange Act requires broker-dealers to deliver the ODD and supplements to customers.<sup>1</sup> 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 June 2024 ODD in various ways, including, but not limited to, one of the following:

1. conducting a mass mailing of the June 2024 ODD to all of its customers approved to trade options and who have already received the ODD; or
2. distributing the June 2024 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.

Unique to prior versions of the ODD, this version may be distributed by firms as a one-page supplement ([June 2024 Supplement](#)) to only those customers who previously received the March 2023 ODD or as the full June 2024 ODD to all other individuals. The availability of the June 2024 Supplement is intended to be a one-time-event because of the limited number of changes made to the March 2023 ODD and the expectation that the June 2024 ODD will require update within one year. Firms should consult with their compliance and legal teams to determine the appropriate distribution to customers.

June 18, 2024

### Suggested Routing

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

### Key Topic(s)

- ▶ MEMX, LLC
- ▶ Options
- ▶ Options Disclosure Document (ODD)
- ▶ T+1 Settlement

### Referenced Rules & Notices

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

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,<sup>2</sup> 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.<sup>3</sup>

Questions regarding this *Notice* may be directed to Matthew Vitek, Associate General Counsel, Office of General Counsel, at (240) 386-6490 or [email](#).

## Endnotes

1. 17 CFR 240.9b-1.
2. See Securities Act Release No. 7288 (May 9, 1996), 61 FR 24644 (May 15, 1996) and Securities Act Release No. 7233 (October 6, 1995), 60 FR 53458 (October 13, 1995).
3. See Securities Act Release No. 58738 (October 6, 2008), 73 FR 60371 (October 10, 2008).