Information Notice

FINRA Reminds Firms of Exercise Cut-Off Time for Options Expiring on the Friday After Thanksgiving

November 16, 2026

Suggested Routing

- Compliance
- Institutional
- Legal
- Operations
- Options
- Senior Management
- Systems
- Trading

Key Topic(s)

- Exercise Cut-off Time
- Expiration
- Standardized Equity Options

Referenced Rules & Notices

- FINRA Rule 2360
- Information Notice 2/3/21

Summary

The national options exchanges are closing at 1:00 p.m. Eastern Time (ET) on Friday, November 27, 2026 (the Friday after Thanksgiving), which will modify the exercise cut-off time for expiring options. FINRA reminds firms that, pursuant to FINRA Rule 2360(b)(23)(A)(viii), if a national options exchange or The Options Clearing Corporation announces a modified time for the close of trading in standardized equity options, then the deadline for an option holder to make a final decision to exercise or not exercise an expiring option will be 1 hour 30 minutes following the time announced for the close of trading on that day, instead of the 5:30 p.m. ET deadline. **Accordingly, option holders must make a final decision to exercise or not exercise options expiring on November 27, 2026, by 2:30 p.m. ET.**[1]

FINRA reminds members that special procedures apply to the exercise of expiring standardized equity options.[2] Generally, expiring standardized equity options that are in-the-money will be automatically exercised.[3] For call option positions, the cost associated with any exercise will be due at that time. Option holders who want to exercise or not exercise expiring standardized equity options must either: (1) take no action and allow exercise determinations to be applied; or (2) submit a "Contrary Exercise Advice." A "Contrary Exercise Advice" allows an option holder to (1) not exercise an option position that would automatically be exercised; or (2) exercise a standardized equity option position that would not automatically be exercised. A Contrary Exercise Advice may be canceled by filing an "Advice Cancel."

Questions regarding this *Notice* may be directed to:

- James Turnbull, Senior Director, Surveillance and Market Intelligence, at (212) 457-5367 or by email; or
- Matthew Vitek, Associate General Counsel, Office of General Counsel, at (240) 386-6490 or by email.

Endnotes

1. Note that members may establish an earlier time to accept exercise instructions for customer or non-customer accounts, but may not accept instructions after 2:30 p.m. *See* FINRA Rule 2360(b)(23)(A)(vi).
2. *See Information Notice 2/3/21* (Exercise Cut-Off Time for Expiring Options).
3. The Options Clearing Corporation Rule 805 provides that expiring standardized equity options are subject to the Exercise-by-Exception ("Ex-by-Ex"). This rule provides that, unless contrary instructions are given, standardized equity option contracts that are in-the-money shall be automatically exercised.

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