

Date: March 9, 2012

Re: OCX Rule 416. Exchange of Futures for Physical, Guidance

Effective Date: March 26, 2012

Based on market participant inquiries, OneChicago would like to clarify the distinction of an Exchange of Futures for Physical "EFP" transaction.

An EFP is a futures transaction and a transaction in the underlying security that are integrally related and combined into a single transaction with two legs.

In every EFP, one party must be the buyer of the security and the simultaneous seller of the corresponding futures and the other party must be the seller of the security and the simultaneous buyer of the corresponding futures. Further, the quantity of the security traded in an EFP must be equivalent to the quantity of the security represented by the futures portion of the transaction and both transactions reported in a timely manner.

Any transaction that has the components of an EFP but is legged (future and stock legs that are executed separately) into the agreed upon transaction details, thus creating risk for one or both parties, is deemed *not* to be an EFP and the futures leg may be posted as a Block transaction separate of the security leg. Further, the security transaction may not be designated as a Derivatively Priced transaction.

Delaying the posting of one leg of an EFP does not make the transaction a Block trade, the trade will remain subject to OCX Rule 416.

Any questions can be directed to marketsurveillance@onechicago.com or 312.424.8530.