

Market Operations Information Circular			
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Date:	August 7, 2003	Telephone:	212/897-0235

Subject: Position limit calculation and dissemination

Effective Friday August 8, 2003, the Options Clearing Corporation (“OCC”) will assume the responsibility of calculating and disseminating position limits for equity options on behalf of all five options exchanges.¹ Position limits will be updated nightly and made available via the OCC public web site, www.theocc.com, under the Market Data menu.

Two reports will be made available: “Current Position Limit Report,” and “Position Limit Change Report.” The Current Position Limit Report will list all current position limits for both equities and indices. The Position Limit Change Report will consist of all equity position limits that have or will change due to corporate actions or daily calculations. Position limits are frequently affected by corporate actions. To maintain these limits, OCC will work closely with the exchanges to determine any impact of such corporate actions on position limits.

Equity option position limits are historically denoted in contracts. However, due to corporate actions, some equity position limits are reported in shares. In order to reduce the confusion of representing various position limits in either shares or contracts, OCC will calculate and publish all equity option position limits in shares, not contracts.

Finally, clicking on the position limit tab on the ISE web page will now take you the OCC web site.

Please call me with any questions.

¹ The options exchanges will continue to perform this function for index options.