

# NOTICE MEFF

## 24/2024

Launch of European-style Stock Options with Cash Settlement.

MEFF

MEFF informs that during the fourth quarter of 2024 it will open for trading standardized European-style Stock Options with cash settlement, which are currently available as non-standard.

Trading will be available in the order book and through the block trade facility.

Trading European Options with cash settlement offers the following benefits to clients:

- **Standardization:** Simplifies the trading and investment process and benefits contract liquidity.
- **Accessibility:** Available in order book and block trade registration, improving market transparency and efficiency.
- **Flexibility:** They allow for more varied and sophisticated investment strategies avoiding anticipated exercises.
- **Cash Settlement:** the call seller and the put buyer are not required to own the shares on the day of expiration, as settlement occurs for differences.

In a first phase, the contracts of the following underlying assets will be available: BBVA, IBERDROLA, INDITEX, REPSOL, SANTANDER, TELEFÓNICA, for the two closest monthly and four quarterly maturities. In subsequent phases or at the request of the members, contracts with more distant maturities as well as contracts for other underlying derivatives traded on MEFF will be opened to trading.

The coding of these contracts will be the same as for the rest of the options by adding a "C" referring to Cash (cash settlement) in the seventh position after the option style (see Annex I).

The CFICODE assigned for Call options is OCESCS and for Put options is OPESCS, as shown in the [BMEGate Codification Tables.pdf \(meff.es\) coding tables](#) (page 27)

For those who wish to trade these options through MEFFStation, it is a must to have the latest version 12.33 of the platform. While the change is not mandatory for all clients, it is necessary for those who wish to visualize and negotiate these options.

From today, the negotiation of these contracts is available in the test environment. The exact date of the start of production will be announced well in advance.

For any additional information, please contact MEFF's Market Services department, [meffmarketservices@grupobme.es](mailto:meffmarketservices@grupobme.es) or +34 91 709 5300.

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MEFF Sociedad Rectora del Mercado de Productos Derivados, S.A.U., con domicilio social en Madrid, Plaza de la Lealtad 1, CIF A-86595568, e inscrita en el Registro Mercantil de Madrid en el Tomo 30.460, Folio 151, Sección 8, Hoja M-548163.

## ANNEX I

### CODIFICATION OF OPTION CONTRACTS

Name	Product code	Tick	Decimals for trading	Decimals for clearing	Last trading day	Expiration date price	Open Maturities
<b>Stock Options Physical delivery</b>	(C/P)xxxxtssssmyy	0,01	2	6	Third Friday	Friday Official closing price	2 Monthly, 10 Quarterly and 5 Half Yearly (5 years)
<b>Stock Options Cash delivery</b>	(C/P)xxxxtCssssmyy	0,01	2	6	Third Friday	Friday Official closing price	A maximum of 2 Monthly, 10 Quarterly and 5 Half Yearly (5 years)
<b>Weekly Stock Options Physical delivery</b>	(C/P)xxxxtsssswwmyy	0.01	2	6	Friday	Friday Official closing price	4 Weekly, including third week of the month
<b>Weekly Stock Options Cash delivery</b>	(C/P)xxxxtCsssswwmyy	0.01	2	6	Friday	Friday Official closing price	A maximum of 4 Weekly, including third week of the month
<b>IBEX 35 Options</b>	(C/P)IBXssssmyy	1	0	2	Third Friday	IBEX 35 Future settlement price	2 Monthly, 10 Quarterly and 5 Half Yearly (5 years)
<b>IBEX 35 weekly Options</b>	(C/P)IBXsssswwmyy	1	0	2	Friday	Friday Official closing price	4 Weekly, including third week of the month

#### Product code explanation:

- The first letter (C or P) identifies the contract as Call or Put.
- Then the underlying asset is identified with three letters (xxx) (Annex 1).
- (tt) defines the options (AM) as American Style and (EU) as European Style.
- Letter (C) indicates contract is cash settled.

- The next five positions (sssss) for the strike price (expressed in cents without decimal coma for Stock Options and index points for Mini IBEX Options).
- (wn) for weekly options, w1 first week of the month, w2 second week of the month, w4 fourth week of the month, w5 fifth week of the month (only on the following underlying BBVA, IBE, ITX, REP, SAN and TEF).
- (m) for expiration month identification (Annex 3), and
- (yy) for the expiration year.

If the contract is adjusted, at the end of the code the new size will appear or 100 in those adjustments with no size variation. Example: Call Inditex American Style, Strike 21.31 and maturity June 2024 and adjusted with 103 size: CITXAM 2131M24103.

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