



## Significant Events in the History of OCC

### 2009

- In January OCC formalized an agreement with Quadriserv, Inc. to provide clearinghouse services and act as the central counterparty for securities lending transactions.
- OCC was honored with the “Most Effective IT Team” Award by The Association of Information Technologies Professionals (AITP) Chicago Chapter in February.
- On March 10 OCC announces a record refund of \$64,651,112 is approved for the year ended Dec. 31, 2008.

### 2008

- OCC announces the largest clearing fee refund on March 5 of \$58,665,731 to Clearing Members for the year ended December 31, 2007.
- On March 12, Eurex, ISE and OCC announced the plan to create a transatlantic trading and clearing link that will allow Eurex customers to access ISE's options market using their existing Eurex connections.
- NASDAQ Options Market joins OCC in March.
- OCC was named Clearing House of the Year by FOW Magazine on April 7.
- On July 22, total options trading volume surpassed 2 billion contracts for the third time in history taking only 140 days to hit this number versus 183 trading days in 2007.
- A new daily volume record is set on September 18 as 30,006,663 contracts changed hands.
- A new monthly record is achieved in October as 375,934,882 total options were traded.
- In October NYSE Liffe announced it has chosen OCC to take over clearing responsibilities for its U.S. futures arm to begin in the first-quarter of 2009.
- ELX Electronic Liquidity Exchange selects OCC to provide clearing and settlement services.
- Annual trading volume sets a new record with 3,582,572,581 contracts changing hands, 25% higher than the record volume in 2007.

### 2007

- August 16, 2007 saw a new daily trading volume record with 23,745,650 contracts changing hands.

- November saw a new monthly record when volume reached 310,801,122 contracts, marking the first time options volume surpassed 300 million contracts during a trading month.
- A new annual trading volume record is set with 2,862,826,218 contracts changing hands, 41.2% higher than 2006's record volume.

## **2006**

- On January 20, the option industry set a new record trading day with total volume reaching 14,888,644 contracts.
- A new monthly record was set in May with 199,714,215 total options contracts traded.
- George S. Hender, Management Vice Chairman of The Options Clearing Corporation is named chairman of the Financial Services Sector Coordinating Council for Critical Infrastructure Protection and Homeland Security (FSSCC).
- Options volume surpassed 2 billion contracts for the first time ever, finishing the year at 2,027,847,586, 34.8% higher than 2005's record volume.

## **2005**

- January kicks off the year with a new monthly volume record with 117,452,308 total options contracts traded.
- On April 15, the options industry set a new daily volume record with 11,254,044 total options contracts traded. It is the first time daily volume exceeds 10 million contracts.
- On May 25, OCC successfully installs ENCORE Release 4.5, further enhancing its state-of-the-art real-time clearing system.
- 2005's options volume set a new annual record with a total of 1,504,311,540 contracts, surpassing 2004's previous record by an increase of 27.3%.

## **2004**

- In January, options volume reaches new heights when a new weekly record is set with 32,927,566 total options contracts during the week of Jan. 12 - Jan. 16. A new one-day high for cleared total options volume was set on Jan. 16 of 8,604,407 contracts.
- In February, The Boston Stock Exchange becomes an OCC participant exchange, and through its Boston Options Exchange trading facility begins trading listed options cleared through OCC.
- During the spring, OCC successfully installs ENCORE Releases 4.15 and 4.3.
- Options volume hits one billion contracts for the first time. The year concludes with total options volume reaching 1,182,040,096 contracts, exceeding the 907,858,655 total options volume contracts traded in 2003 by 30.2 percent.

## **2003**

- In April, OCC continues its advancement toward real-time trade processing through ENCORE when it accepts immediate processing of trades effected on CBOE and PCX.
- In May, OCC commits to the FIX Protocol Ltd. Association's FIXML Messaging Standard. OCC also executes a clearing and settlement services agreement with CBOE Futures Exchange.
- In July, OCC and LaSalle Bank introduce ChicagoFIRST, an industry coalition that addresses homeland security and business continuity issues effecting Chicago's financial sector.
- The ENCORE clearing system begins receiving and processing real-time trades in September from PHLX. ENCORE Release 4.0 is also installed in September with the major component, Delivery Settlement.
- On Nov. 14, the options industry reaches a new all-time high in total options volume. Volume hits 781,821,162 contracts, surpassing 2001's annual record of 781,261,935 total options contracts.

## **2002**

- In February, The Island Futures LLC signs a clearing and settlement services agreement with OCC for security futures. Two months later in April, OCC executes a clearing and settlement services agreement, and an associated clearinghouse agreement with the Chicago Mercantile Exchange for clearing and settling security futures.
- Wayne P. Luthringshausen, OCC Chairman and Chief Executive Officer, receives the first annual "Options Industry Appreciation Award" (later renamed the Joseph W. Sullivan Award) on behalf of the entire options industry in May.
- On Nov. 8, security futures begin trading.
- During November, OCC successfully installs the next major release (Release 3.0) of its new clearing system, ENCORE. Release 3.0 encompasses processing from accepting matching trade information on a real-time basis to positions processing.

## **2001**

- OCC sees more record volumes in January and April.
- The options industry completes the conversion to decimalization.
- OCC is selected to provide a permanent linkage solution for the options exchanges.
- OCC opens an office in Washington D.C.
- OCC is among the world's top clearing organizations to form CCP12, an association dedicated to improving global clearing, netting and central counterparty (CCP) services.
- OCC receives SEC approval and completes operational readiness testing to clear security futures.

- Nasdaq - Liffe Markets (NQLX) and OCC sign an official clearing agreement for security futures.
- Markets are closed for four days after the Sept. 11 terrorist attacks. Amex shares trading floor space with the PHLX to trade options for two weeks after the attacks.

## 2000

- In October, the highest monthly volume in OCC history hits 75,309,044 contracts. More records are set on Oct. 20, when 4,8777,338 contracts change hands and equity options open interest stands at 75,661,505 contracts.
- OCC reduces clearing fees up to record 41 percent.
- OCC begins developing its new clearing system, ENCORE™, which will provide real-time trade information and enhanced communication.
- The International Securities Exchange joins OCC as a Participant Exchange. It is the first new U.S. options exchange since 1985 and the first all-electronic options exchange.
- OCC establishes a call center, 1-888-OPTIONS for individual investors and brokers. OIC launches a new Web site with online classes, options tools and seminar registration at [www.888options.com](http://www.888options.com).
- OCC establishes a fully dedicated work area recovery site in Chicago.

## 1999

- Total options volume closed at 507,891,483 contracts. This marks the first year options trading exceeds the half billion benchmark.
- Equity options volume hits a daily record high of 3,644,067 contracts.
- OCC prepares for the industry shift to decimalization.
- OIC introduces a LEAPS® curriculum and implements several enhancements to [www.optionscentral.com](http://www.optionscentral.com).
- Multiple listings escalate on the four options exchanges.
- With the passage of the Commodity Futures Modernization Act of 2000, the Shad Johnson Accord is repealed and the 19-year U.S. ban on single stock futures is abolished.

## 1998

- The options industry celebrates its 25<sup>th</sup> Anniversary of exchange listed options.
- OCC releases an enhanced Hedge System.
- OIC distributes "The Options Toolbox" educational software and opens a London office.
- OCC commences a new clearing fee structure based on graduated volume discounts.

## 1997

- Myron S. Scholes and Robert C. Merton are awarded the Nobel Prize in Economics for their pioneering work on options pricing.
- The "short-short" rule is repealed due to the efforts of the Ad Hoc Coalition for Intermarket Coordination.
- SEC approves rule change allowing for "risk-based" capital requirements.
- For the first time, OCC has a mid-year reduction of clearing fees due to higher than expected volume.

## 1996

- OCC introduces [www.optionsclearing.com](http://www.optionsclearing.com).
- OIC introduces [www.optionscentral.com](http://www.optionscentral.com).

## 1994

- The exchanges significantly increase the number of options product listings in flexibly structured exchange-traded options, long-term options, month-end options and interest rate options.
- The SEC approved a joint OCC/exchange proposal to modify how capital charges for all listed options and related instruments are calculated.

## 1993

- OCC receives its first 'AAA' rating from Standard & Poor's Corporation.
- OCC introduces the Hedge System, which allows Clearing Members to use borrowed and loaned securities to reduce margin requirements by reflecting the real risks of intermarket hedged positions.
- The OCC/ICC/CME trilateral cross-margin program is introduced.

## 1992

- The Options Industry Council (OIC) is formed by the U.S. options exchanges and OCC.

## 1991

- OCC implements electronic letter of credit amendments through the Society of World-Wide Interbank Funds Transfer (S.W.I.F.T.).

## 1990

- LEAPS® , options with longer-term expirations, are introduced.

- OCC implements the Options News Network (ONN) to disseminate OCC and ICC Information Memos and Exchange Bulletins via a network of personal computers.
- The Ad Hoc Coalition for Intermarket Coordination was formed to lobby in support of regulatory reforms for the benefit of the entire securities industry.

#### **1989**

- OCC introduces INTRACS, its main processing system.

#### **1988**

- OCC pioneers the use of cross-margining for its Clearing Members.

#### **1987**

- Year-to-date volume on the U.S. options exchanges reaches 305 million contracts before the stock market correction.
- OCC extends membership to Canadian firms.
- In a special clearing agreement, OCC's clearing services and financial guarantee enable Amex to establish a link with the European Options Exchange (EOE).

#### **1986**

- OCC introduces its Theoretical Intermarket Margin System (TIMS), a risk-based, portfolio margin methodology.

#### **1985**

- New York Stock Exchange, Inc. (NYSE) begins listing equity options and becomes an OCC Participant Exchange.
- The National Association of Securities Dealers (NASD) becomes a Participant Exchange of OCC.
- OCC installs the Clearing Management and Control System (C/MACS), its on-line Clearing Member interface system.

#### **1984**

- OCC implements Delivery versus Payment (DVP) to enhance foreign currency settlement.
- OCC creates The Intermarket Clearing Corporation (ICC) for the purpose of guaranteeing, clearing and settling futures, options on futures and commodity options traded on contract markets formed by its participant exchanges and for creating clearing efficiencies for Clearing Members.

#### **1983**

- Cash settled index options trading begins. OCC clears the new product.

## **1982**

- OCC implements the Escrow Receipt Depository (ERD) System and introduces the Valued Securities Program. These programs enhance the use of collateral to secure positions and promote the efficiency of clearing member's usage.
- Industry-wide options contract volume exceeds 500,000 per day.
- The Options Disclosure Document, also known as Characteristics and Risks of Standardized Options, is created, saving the industry \$2 million annually in repetitive costs.

## **1980**

- SEC ends the options industry moratorium.

## **1979**

- OCC installs a new operating system which yields a peak clearing capacity of 1.2 million contracts per day.

## **1977**

- SEC allows trading in put options.
- SEC places moratorium on additional listings pending a review of option's industry growth.
- OCC introduces Exercise by Exception (Ex by Ex) as an administrative procedure for the convenience of Clearing Members exercising options on expiration.

## **1976**

- Pacific Exchange, Inc. (PCX) begins trading equity options and becomes a Participant Exchange of OCC. The first multiple listing, Boise Cascade, is listed on CBOE and PHLX.

## **1975**

- The Securities and Exchange Commission (SEC) approves OCC as the central clearing corporation for exchange-listed options.
- The American Stock Exchange, Inc. (AMEX) and the Philadelphia Stock Exchange, Inc. (PHLX) begin trading equity options. Both become OCC Participant Exchanges.

## **1973**

- Chicago Board Options Exchange, Incorporated (CBOE), the first U.S. Exchange to trade listed options, is founded. Call options on 16 issues can be traded.
- CBOE Clearing Corporation, OCC's predecessor is founded.

