

## Cash-Settled FLEX ETF Options

For certain eligible Exchange Traded Funds (ETFs), NYSE American Options and NYSE Arca Options offer 'cash' settlement as a flexible term. Eligibility is assessed twice per year—on January 1 and July 1—based on the prior six months of ETF trading activity. The current list of FLEX ETF Options that are eligible to have cash settlement as a flexible term can be found [here](#).

To qualify, an underlying ETF must meet both of the following thresholds:

- Average Daily Notional Value: at least \$500 million
- National Average Daily Trading Volume: at least 4,680,000 shares

If more than 50 ETFs meet these requirements, the Exchange will select the top 50 ETFs ranked by highest average daily trading volume.

If an ETF later fails to meet the criteria, any new FLEX positions on that ETF will default to physical settlement. Any open cash-settled FLEX ETF option positions may be traded only to close the position.

Pursuant to NYSE American Options Rule 903G, Commentary .01, and NYSE Arca Options Rule 5.32-O(f), the settlement style (cash or physical) does not impact whether a FLEX Option is permitted; eligibility is determined solely by the availability of Non-FLEX Options on the same underlying security.

FLEX Options Symbology:

- 3 = American exercise, cash settlement
- 4 = European exercise, cash settlement

Pursuant to NYSE American Options Rule 906G(b)(ii) and NYSE Arca Options Rule 5.35-O(b)(ii), FLEX Equity Options on Exchange-Traded Fund Shares that are cash-settled are subject to the position limits and exercise limits set forth in their respective rules (NYSE American Rules 904 and 905, and NYSE Arca Rules 5.35-O and 5.36-O), and positions in such cash-settled FLEX Equity Options shall be aggregated with positions in physically-settled options on the same underlying ETF for purposes of calculating those position and exercise limits.

