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# Operational Notice

23 January 2019  
ON\_08/2019

## CAoF management of option rights

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**For the attention of:**  
**Re:**

**DCPs, ICPs**  
**CAoF management of option rights**

Dear Client,

With respect to the CAoF management process, for the “EXRI CHOS” event, with the default option “LAPS”, please note that in accordance with standard number 3 of the CASG, which indicates the rules to be followed for the management of Transformations, Monte Titoli operates as follows:

1. It deletes the Settlement Instructions for pending option rights on the “end of operation” date (the last day of exercise of the rights)
2. It generates an instruction (PFOD) for the settlement of a cash countervalue for the amount of the cancelled operation in favour of the purchaser of the option right in bonis.

The above provisions were agreed at the NSG on 6 July 2018, on the theme of “IT AMI-SeCo NSG - Follow up to May 2018 CASG gap analysis survey: issue related to the processing of rights exercise in the IT market”.

The new text of the Settlement Instructions for the Settlement Service will be updated to take account of this development.

Please use the following contact address for any further requests for clarification of this issue:

### Settlement Operations

Email: [helpdesk.settlement@lseg.com](mailto:helpdesk.settlement@lseg.com)