

# London Stock Exchange Derivatives

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## MARKET NOTICE 2014/083

### **Offer and sale of stock, depositary receipt and index options in the United States – London Stock Exchange Derivatives Market Arrangements under SEC Class No-Action Relief**

#### Introduction

1. On 1 July 2013, the staff of the United States Securities and Exchange Commission's (SEC's) Division of Trading and Markets issued a class no-action letter that permits foreign options markets and their member firms to familiarise certain entities (registered broker-dealers and large financial institutions) in the United States with the foreign options market and some of the products available on that market, without becoming subject to regulation in the United States (the letter is available [here](#)).
2. The class no-action letter includes a number of conditions with which a foreign options market, its members and persons affiliated with that market must comply should they wish to benefit from the class no-action relief.
3. On 12 November 2014, London Stock Exchange Derivatives Market submitted a request and obtained SEC class no-action relief for certain equity, depositary receipts and index options contracts. The class no-action relief request, which is self-executing, and the list of options contracts covered by it are available [here](#).

#### **Obligations for member firms wishing to benefit from the SEC Class No-Action Relief obtained by London Stock Exchange Derivatives Market**

4. With this notice, London Stock Exchange Derivatives Market advises its eligible Member Firms that they may now rely on the class no-action relief in relation to Eligible Options and Eligible Broker-Dealer(s)/Eligible Institutions(s), as defined in the Rules of the London Stock Exchange Derivatives Market ("the "rules"), subject to sections 1.1.32 – 1.1.37 of the rules.
5. In particular, Member Firms wishing to benefit from the class no-action relief must first sign a declaration confirming that they meet the eligibility criteria for the relief (using the declaration form supplied as Attachment 1 to this notice) and also made available [here](#). Completed declarations should be returned to the London Stock Exchange Membership Team via email ([membership@lseg.com](mailto:membership@lseg.com)) or via hardcopy.

6. In addition, Member Firms are reminded that:
- any options on securities of U.S. issuers, or on an index that includes any securities of U.S. issuers, that are, or may be, traded on London Stock Exchange Derivatives Market are not available for sale to U.S. persons.
  - Members firms that are not broker-dealers registered with the U.S. Securities and Exchange Commission shall deal with Eligible Institutions only in accordance with Rule 15a-6 of the U.S. Securities Exchange Act of 1934.
5. Any comments or queries on this notice should be addressed to Stefano Valente, UK Regulation, telephone +44 (0) 20 7797 1584 or email: [svalente@lseg.com](mailto:svalente@lseg.com)

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**London**  
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