

# Corporate Actions on SSFs

The term "Corporate Action" is used to describe certain types of actions taken by a company's governing board that directly affect the valuation of the company's stock. In some cases, derivatives exchanges must make adjustments to contract specifications with regard to a corporate action to ensure continuity in the markets.

## Overview:

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## How Adjustments Work

Adjustments take place at the OCC. In the case of a corporate action which results in a necessary adjustment, OneChicago and the OCC create a new product listing to start on the corporate action's effective date. This new product inherits all existing contracts from the existing product affected by the corporate action. Once created, any open interest in the affected [product-contract](#) is converted to the new corporate action product listing, effectively avoiding an erroneous pay-collect event that would result from a newly calculated daily settlement price. Interest holders then carry a position in a new cleared product which can be distinctly identified using the new futures symbol assigned by OCC.

## Corporate Action Products vs Standard Products

OneChicago makes a clear distinction between CA products and the standard listed products in the daily publication of the [OPC data sets](#). The field *is\_ca* is used in each file to indicate if the product listing was created from a corporate action affecting an underlying component of an already listed product.

The main differences between CA products and standard products:

- The [Delta1 Trading Platform](#) does not list [Calendar Spreads](#), STARS™ or EFP instruments that would result in the clearing of a CA product
- CA products are not eligible for new contract adds through the normal [listing and expiration cycle](#)

## Rules Governing CAs for SSFs

OCC rules govern the application of adjustments to Single Stock Future (SSF) products.

- [OCC By-Laws](#)
- [OCC Rules](#)

## Bankruptcy of an Underlying Security

Provided the underlying stock retains its listing, the exchange will continue to trade all listed derivatives and the OCC will continue to clear the derivative and facilitate the delivery underlying stock.

## Corporate Action Notices

As OCC publishes notices for [Cleared Future Products](#), we provide a supplemental notice to our community. Notices are emailed to those registered to the [Corporate Event \(CE\)](#) email subscription. The historical archive all Corporate Action announcements affecting the exchange's [Cleared Future Products](#) is available at the exchange public [FTP Site](#).

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