

15 June 2026

To: SEBI

Dear Sir/Madam

SEBI – Consultation Paper on Ease of Doing Business - Framework for strike prices of options contracts

FIA¹ appreciates the opportunity to comment on SEBI’s consultation paper on “Ease of Doing Business – Framework for strike prices of options contracts”.

We support SEBI’s objective of improving the predictability and availability of option strikes, particularly during periods of heightened intraday volatility, and consider that a consistent framework would represent a positive development for market participants.

We support the proposal to introduce new strikes intraday in the direction of price movement. This would address a longstanding operational and risk-management issue for market participants. During periods of heightened volatility, the ability to introduce additional strikes can materially assist participants in managing positions more effectively. We also support periodic review of strike availability across products.

A consistent and transparent approach to the review, introduction and removal of strikes across products and exchanges should promote greater certainty and a more standardised operating model for market participants.

We offer the following comments on certain design and operational aspects of the proposal, which we hope will assist SEBI in finalising its framework. These comments are intended to support clarity, operational robustness, and the overall effectiveness of the new proposed framework.

1. Harmonisation across exchanges

SEBI should prescribe minimum common standards for implementation across exchanges. Consistent implementation will be critical to the effectiveness of the framework.

While exchanges should retain appropriate flexibility to calibrate strike intervals by segment and product, a high degree of divergence across exchanges would increase operational complexity for market participants. Minimum common standards should address publication timing, terminology, file formats, intraday notification protocols, minimum requirements for the number and range of ITM and OTM strikes, transparency of addition criteria, treatment of open interest and governance standards.

¹ FIA is the leading global trade organization for the futures, options and centrally cleared derivatives markets, with offices in Brussels, London, Singapore and Washington, D.C. FIA’s membership includes clearing firms, exchanges, clearinghouses, trading firms and commodities specialists from about 50 countries as well as technology vendors, law firms and other professional service providers. FIA’s mission is to support open, transparent and competitive markets, protect and enhance the integrity of the financial system, and promote high standards of professional conduct. As the principal members of derivatives clearinghouses worldwide, FIA’s clearing firm members play a critical role in the reduction of systemic risk in global financial markets. Further information is available at www.fia.org.

Without this consistency, participants may need to operate multiple exchange-specific processes, increasing complexity and operational risk. A standardised framework would better support predictability, ease of doing business and fair access across the market.

2. Safeguards for open interest

We recognise SEBI's objective of allowing exchanges to review and eliminate strikes that are far away from the prevailing market price. However, that process should be subject to appropriate safeguards where open interest remains. Where market participants continue to hold positions, they should retain the ability to close out, hedge or otherwise manage those positions in an orderly manner.

If a strike is purged, disabled, removed or otherwise made unavailable while open interest remains, participants may be left with exercise or expiry as the only practical means of exit which may be inefficient or inappropriate depending on market conditions and the participant's risk management needs. This may also result in margin being held against positions that participants no longer have the operational ability to close out or adjust, creating unnecessary capital inefficiencies.

We therefore recommend that the framework include drafting to the following effect:
"Strikes with open interest should not be purged, disabled or otherwise made unavailable in a manner that prevents market participants from closing out, hedging or adjusting existing positions. At a minimum, such strikes should remain available for trading, close-out or risk reducing transactions until the relevant open interest is closed or expires. Where appropriate, exchanges may relax associated quoting obligations for far-from-ATM strikes that are retained solely because open interest remains."

This approach would preserve SEBI's policy objective of maintaining relevant strikes around the prevailing market price, while protecting participants from involuntary margin lock-up and loss of position-management flexibility. The optional relaxation of quoting obligations would also provide exchanges with flexibility to manage market-maker obligations for far-from-ATM strikes that are retained solely because open interest remains.

3. Minimum strike floors

While exchanges should retain flexibility to calibrate strike intervals by segment and product, there should be clear minimum requirements prescribed for the number of in-the-money and out-of-the-money strikes to be made available.

Without minimum strike floors, the effectiveness of the framework may depend too heavily on individual exchange discretion, which may create inconsistent outcomes across exchanges and products. Minimum floors would provide a consistent baseline and reduce the risk that conservative thresholds fail to address the issues identified in the consultation paper.

4. Operations and Technical Dissemination

Intraday changes should not create additional operational or technology risk for market participants. The framework should make clear that intraday strike additions must be distributed

through existing, tested and automated exchange channels, including FIX, binary market data feeds, contract master files, reference data files and other standard exchange channels. New strikes should be capable of being automatically ingested by applicable systems without manual intervention. This will help reduce operational issues, support timely implementation and avoid unnecessary complexity arising from non-standard or manual processes.

5. Review and Transition

The consultation paper refers to periodic review, which we support. We recommend that this be formalised as an annual review process involving industry and market participants. Such review should consider whether strike availability settings remain fit for purpose across products and under changing market conditions.

SEBI should also provide for a reasonable implementation and transition period before the framework takes effect so that market participants have sufficient time to prepare for operational implementation.

We welcome the opportunity to work with SEBI and discuss these comments further. Please feel free to contact me at bherder@fia.org or TzeMin Yeo, Head of Legal & Policy, Asia Pacific at tmyeo@fia.org should you wish to further discuss.

Yours faithfully



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