

Functional form of the total derivative of an option price  $C(K, \sigma(K))$  in the presence of a skew  $\sigma(K)$

$$\begin{aligned}\frac{d^2}{dK^2}C(K, \sigma(K)) &= \frac{d}{dK} \left( \sigma'(K) \frac{\partial C(K, \sigma(K))}{\partial \sigma} + \frac{\partial C(K, \sigma(K))}{\partial K} \right) \\ &= \frac{\partial^2 C}{\partial \sigma^2} \sigma'(K)^2 + 2 \frac{\partial^2 C}{\partial K \partial \sigma} \sigma'(K) + \sigma''(K) \frac{\partial C}{\partial \sigma} + \frac{\partial^2 C}{\partial K^2}\end{aligned}$$