Executive Summary

The Options Clearing Corporation and its participant exchanges have begun implementation of the Options Symbology Initiative, which will affect member firms’ reporting of positions to the Large Options Positions Report (LOPR) system. This Notice highlights changes to LOPR reporting as a result of the implementation.

Questions concerning this Notice should be directed to:

- Max Tourtelot, Director, Options Regulation, at (212) 858-4013; or
- Matthew E. Vitek, Counsel, Office of General Counsel, at (202) 728-8156.

Background

In June 2008, The Options Clearing Corporation (OCC) and its participant exchanges began the implementation of the Options Symbology Initiative (OSI). The OSI is a plan to overhaul the existing method of identifying exchange-traded options contracts that will enable market participants to provide more accurate and consistent information. All current information regarding the OSI is located at [www.theoocc.com/initiatives/symbology/default.jsp](http://www.theoocc.com/initiatives/symbology/default.jsp).

As part of the OSI, by February 12, 2010, all exchange-traded options are expected to be described using explicit data elements, instead of the current Options Price Reporting Authority (OPRA) codes. These changes will impose new requirements related to LOPR. In conjunction with these changes, OCC will take over the collection and dissemination of all LOPR data from the Securities Industry Automation Corporation (SIAC). SIAC will no longer accept LOPR data after January 19, 2010.
Although the threshold for the LOPR will not change, the submission of LOPR data and the LOPR layout will have significant changes that will affect the reporting of both listed and conventional options positions. Key requirements and changes related to the new LOPR include:

- All member firms must report LOPR data to OCC in FIXML format.
- The reportable window for submitting updates related to adjustments, assignments, error corrections and position transfers will be reduced from T+10 to T+5. However, firms are still required to report all reportable positions to the LOPR system by T+1.
- Member firms should only report a position to OCC if it has been added, modified or deleted. If a position in a series is reported to OCC that matches the previously reported position in that series, the record will be rejected.
- Each submitted LOPR will be required to include additional data fields (e.g., Account Type and Expiration Date) that are not present on the current LOPR.
- Member firms may submit one file to OCC, which will include Listed Options Positions, Conventional Options Positions, Listed LOPR Hedges and Conventional LOPR Hedges.
- “In Concert” data, including the addition or deletion of accounts, will be submitted directly to OCC each time there is a change to an “In Concert” Group. OCC will accept changes to “In Concert” records each day.
- OCC will purge all records after expiration or following a corporate event, where the option symbol is changed. Member firms will not need to send records indicating the removal of these positions; however, member firms must submit new add records for positions in the newly created option symbols following a corporate action.
- Member firms will be able to access their rejected LOPR records via OCC’s FTP site.
The milestone dates related to the implementation of the new LOPR are as follows:

<table>
<thead>
<tr>
<th>ACTION</th>
<th>TARGET DATE</th>
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<tr>
<td>LOPR firms must verify connectivity to OCC External Test Environment</td>
<td>Complete by September 30, 2009</td>
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<tr>
<td>LOPR firms perform external testing with OCC</td>
<td>Starting August 17, 2009, through November 19, 2009</td>
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<td>LOPR firms can begin sending production LOPRs to OCC’s production environment once external testing is deemed successful</td>
<td>October 1, 2009</td>
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<tr>
<td>LOPR firms must transmit production LOPR data to OCC on a daily basis and maintain their LOPRs at OCC</td>
<td>Complete by November 23, 2009</td>
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<tr>
<td>Simultaneous submission of LOPR data to SIAC and OCC</td>
<td>4th Quarter 2009 and first half of January 2010</td>
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<tr>
<td>LOPR firms may stop sending LOPR data to SIAC</td>
<td>Activity of January 19, 2010</td>
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This Notice briefly summarizes key requirements and changes related to the new LOPR. Further information regarding the OCC’s collection of LOPR data, including record layouts, field mappings and milestone dates is available online at www.optionsclearing.com/products/large_options_positions_reporting/default.jsp.