



## REGULATORY CIRCULAR RG09-70

**DATE:** June 29, 2009  
**TO:** Members and Member Organizations  
**FROM:** Member and Regulatory Services Division  
**RE:** Option Symbology Initiative Compliant Large Option Positions Report (LOPR)

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In June 2008, The Options Clearing Corporation ("OCC") and its participant exchanges, including the CBOE, began the implementation of the Option Symbology Initiative ("OSI"). As part of the OSI initiative, by February 12, 2010, all exchange traded options are expected to be described using explicit data elements instead of the current OPRA codes. This OSI explicit options identifiers requirement will, in turn, require changes to the existing Large Option Position Report ("LOPR") layouts for members and exchanges. The new LOPR will differ significantly from the current fixed length report. Key requirements and changes related to the new LOPR are as follows:

- OCC will begin collecting and disseminating LOPR data during the 4<sup>th</sup> Quarter of 2009; SIAC will no longer accept LOPR data after January 19, 2010.
- LOPR data must be submitted to OCC in FIXML format by 8:00 p.m. (CST).
- Positions must be reported to LOPR by T+1.
- The window for submitting updates related to adjustments, assignments, error corrections and position transfers will be **reduced from T+10 to T+5**; any submission for a date after T+5 will be rejected.
- Only new, modified or deleted positions should be reported to OCC; unchanged positions submitted to OCC will be rejected.
- Members will be able to delete previously submitted records and include text explaining the reason for the deletion (e.g. "entered in error").
- OCC will automatically purge expired option series.
- OCC will purge all option series affected by corporate actions on the ex-date of the corporate action; members must transmit new LOPR submissions as adds to replace the purged positions.
- "In Concert" data is to be submitted directly to OCC; a separate report to the exchanges will no longer be necessary.
- Member Firms will receive a daily report of their rejected LOPR records from OCC and are responsible for promptly correcting and re-submitting rejected records. OCC will provide a report of all rejected LOPR records to the exchanges.

- Hedge information can be reported via LOPR; the separate “LOPR Hedge Report” will be eliminated.
- The milestone dates related to the implementation of the new LOPR are as follows:

LOPR FIRM ACTION	TARGET DATE
- LOPR Firms must verify connectivity to OCC External Test Environment	Complete by September 30, 2009
- LOPR Firms perform External Testing with OCC	Starting August 17, 2009 through November 19, 2009
- LOPR Firms can begin sending Production LOPRs to OCC’s Production environment once External Testing is deemed successful. - LOPR Firms may continue External Testing if needed.	October 1, 2009
- LOPR Firms must transmit Production LOPR data to OCC on a daily basis and maintain their LOPRs at OCC	Complete by November 23, 2009 <sup>1</sup>
- Simultaneous submission of LOPR data to SIAC and OCC. - SROs will work with firms to confirm the accuracy of their submission to OCC.	4 <sup>th</sup> Quarter 2009 and first half of January 2010
- LOPR Firms may stop sending LOPR data to SIAC.	Activity of January 19, 2010 <sup>2</sup>

OCC has published a guide containing the new LOPR record layouts, a detailed explanation of fields and mapping of OCC fields to current SIAC fields. The guide, a list of LOPR Frequently Asked Questions (“FAQ”) and further information related to connectivity and testing can be found on OCC’s website at:

[http://www.theocc.com/products/large\\_options\\_positions\\_reporting/](http://www.theocc.com/products/large_options_positions_reporting/)

Please note this circular only provides a brief summary of the key requirements and changes related to the new LOPR. Members are required to read and comply with the requirements described in the OCC guide and as further explained in the FAQ referenced above as well as any CBOE rules and circulars related to LOPR reporting. Members should also routinely consult the above referenced OCC website for updates related to the implementation of the new LOPR.

Questions regarding this circular can be addressed to Tim MacDonald at (312) 786-7706 or Tom Busch at (312) 786-7753.

<sup>1</sup> This is the Monday after November 2009 expiration (LOPR reporting for trade date November 20, 2009, activity).

<sup>2</sup> This is the first business day after January 2010 expiration (January 18, 2010 is the Martin Luther King holiday).