



REGULATORY CIRCULAR RG09-77

DATE: July 17, 2009
TO: Members and Member Organizations
FROM: Member and Regulatory Services Division
RE: Electronic Blue Sheet (EBS) Submissions Following the Option Symbology Initiative Implementation

In June 2008, The Options Clearing Corporation (“OCC”) and its participant exchanges, including the CBOE, began the implementation of the Option Symbology Initiative (“OSI”)¹. 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, affect “Electronic Blue Sheet” or “EBS” automated trading data submissions required of members pursuant to CBOE Rule 15.7. In order to support the OSI, the Securities Industry Automation Corp. (SIAC) has modified the EBS record layout. The modified EBS record layout is set forth in Attachment A; existing account type identifiers are outlined in Attachment B. CBOE is currently able to accept EBS submissions from SIAC that use the modified record layout; the modified format may be used on a voluntary basis until the February 12, 2010, mandatory implementation date. Firms are urged to pay particular attention to the following EBS record layout changes:

- **Record Sequence Number One, Field Positions 22 to 29 (see page 2 of Attachment A)**
 - Anyone submitting option activity using the OSI symbology **must** write the characters OPTIONXX in this field and complete Record Sequence Number Six.
- **Record Sequence Number Six (see page 4 of Attachment A)**
 - This record should be used to submit the OSI symbology and should only be filled out if the characters OPTIONXX are in Record Sequence Number One, Field Positions 22 to 29.
- **Record Sequence Number One, Field Position 68 (see page 2 of Attachment A)**
 - The Buy/Sell Code field must be filled out properly. All non-market makers reporting options activity should be using Buy/Sell Codes 3 through 6 and D through G. Non-market makers should not mark trades as 0 or 1.

Also, be advised that CBOE will **reject** an entire EBS submission that meets either of the following conditions:

1. The Ticker Symbol field of Record Sequence Number One (“Record One”) contains the characters OPTIONXX and no corresponding Record Sequence Number Six (“Record Six”) is included; or

¹ Current information regarding OSI can be found at www.theocc.com/initiatives/symbology. This site also includes links to all specific Exchange OSI websites.

2. Record Six is included and the Ticker Symbol field of Record One does not contain the characters OPTIONXX.

Frequently asked questions related to the EBS changes are addressed below:

1. Is there a phase in-period for the use of Record Six?

Yes. All exchanges are now able to accept Record Six; all exchanges and SIAC are able to accept both current OPRA codes and OSI data. The mandatory implementation date for Record Six is February 12, 2010.

2. Since the intent of Record Six is to accommodate the new symbology, is it acceptable for firms to begin sending Record Six at some optional date but leave the Record Six values defaulted blank until it is required?

Record Six can be left blank as long as all currently required fields in Records One through Five are properly filled out and the correct OPRA code is provided. Record Six is only required to be accurately completed when OPTIONXX is entered in the Ticker Symbol field (Record One, positions 22 to 29).

3. Will all Intermarket Surveillance Group (“ISG”) members be able to accommodate EBS reports with and without Record Six present for particular transactions within the same report?

Yes.

4. How should firms report options EBS requests that span over the mandatory implementation date (i.e. traded under the old and new symbology)?

The ISG will be able to accept either OPRA codes or the OSI symbology for EBS data that spans over the mandatory implementation date. For example, if a firm voluntarily begins complying with OSI on January 1, 2010 and then receives an EBS request for options activity in IBM from November 1, 2009 through February 28, 2010, the firm may either:

- submit one EBS for the entire period using the new symbology/Record Six (if the firm “back converted” all IBM options to the OSI symbology); or
- submit one set of records for the period of November 1, 2009 through December 31, 2009 (using OPRA codes) and then a separate set of records for January 1 through February 28, 2010 (using OSI symbology and Record Six).

5. What does the ISG expect to be the value of the CUSIP number field in Record One? Is it the underlying CUSIP, an internal CUSIP or blank?

If OSI data is being submitted, all details required to identify the option should be included in Record Six. Any information in the CUSIP field will be ignored if OPTIONXX is present in the Ticker Symbol field of Record One.

Members are to be reminded that failure to respond to an EBS request in a timely and accurate manner is a violation of CBOE Rule 15.7. Questions regarding this circular can be addressed to Patricia Sizemore at (312) 786-7752 or Tom Busch at (312) 786-7753.