

OPTIONS EXCHANGE			
Regulatory Information Circular			
Circular number:	2009-141	Contact:	Russ Davidson, Head of Market Surveillance
Date:	April 22, 2009	Telephone:	(646) 805-1857

Subject: OSI Compliant Large Option Positions Report (LOPR)

In June 2008, the Options Clearing Corporation (“OCC”) and their participant exchanges began the implementation of the Option Symbology Initiative (“OSI”). By February 12, 2010, all exchange traded options are expected to be described using explicit data elements instead of the current OPRA codes, which can be up to five characters long. Post-OSI, members must be able to support explicit options identifiers that will require a change to existing Large Option Position Report (“LOPR”) layouts.

During the fourth quarter of 2009, the OCC will take over the collection and dissemination of all LOPR data from SIAC. An OCC guide for the new LOPR report that contains record layouts, a detailed explanation of fields and mapping of OCC fields to current SIAC fields can be found here:

http://www.theocc.com/products/large_options_positions_reporting/

The new LOPR report will differ significantly from the current fixed field length report. The following are highlights of some significant OCC LOPR requirements. Please note, these are only brief summaries of selected items, members are required to read and comply with the complete document referenced above as well as all existing ISE rules and circulars related to LOPR reporting.

- All firms must report LOPR data to the OCC in FIXML format. After the January 19, 2010, SIAC will no longer accept LOPR data. Please see Appendix A for all target implementation dates.
- Firms will be required to submit a LOPR to the OCC by 8 PM CST. Exchange and FINRA rules require firms to report positions to LOPR by T+1. We understand that adjustments, assignments, error corrections and position transfers may require a member to update an account’s position after T+1. Currently, SIAC accepts corrected positions until T+10. *This window for corrections will be reduced to T+5.* Any LOPR submission for a date outside of this T+5 window will be rejected.
- Members should only report a position to the OCC when that position is new, modified, or deleted. Members should not report an unchanged position to the OCC. If a member submits an unchanged position to the OCC, that submission will be rejected.

- Members will be able to delete submitted records and include text explaining why the record was deleted (i.e. “entered in error”).
- The OCC will automatically purge any expired options series.
- All option series affected by corporate actions will be purged by OCC on the ex-date of the corporate action. Members must transmit new LOPR submissions as adds to replace these purged positions.
- “In Concert” data will be submitted directly to OCC by members. Members will no longer need to send a separate report to the exchanges.
- Each member will receive a daily report from OCC showing all rejected LOPR records. Members are responsible for correcting and resubmitting any rejected records. A report showing rejected LOPRs from all members will be sent to the Exchanges.
- A member that wishes to electronically report hedge information can do so using the LOPR. There will no longer be a separate “LOPR Hedge Report”.

Please contact Ron Veith at (212) 897-8130 or rveith@ise.com with any questions.

Appendix A

Large Options Positions Report – Implementation Dates

Action	Target Date
Member Firms verify connectivity to OCC Test site	September 30, 2009
Member Firms can start testing with OCC	October 2009
Member Firms must start transmitting test data to OCC on a daily basis	11/23/2009 (first Monday after NOV 2009 expiration for activity 11/20/09)
Cutover to OCC. Member Firms can stop sending to SIAC.	Activity of 1/19/2010 (this is the first business day after Martin Luther King day).