

IMPORTANT NOTICE

National Securities Clearing Corporation



A#6532

P&S #6102

DATE: November 23, 2007

TO: ALL PARTICIPANTS

ATTENTION: MANAGING PARTNER/OFFICER,
OPERATIONS PARTNER/OFFICER,
DIRECTOR OF OPERATIONS,
MANAGER CUSTOMER ACCOUNT TRANSFER DEPARTMENT,
MANAGER MUTUAL FUNDS OPERATIONS,
MANAGER MARGIN DEPARTMENT,
DATA PROCESSING MANAGER,

FROM: Louis Lepore

SUBJECT: ACATS Modifications – Option Symbology

I. Proposed Modifications

The Options Clearing Corporation (OCC) has announced changes to the way option contracts are represented. This industry initiative called Option Symbology Initiative (OSI) is scheduled for implementation on July 31, 2009. These changes will effect the submission and reporting of option assets in ACATS. Members of the industry are urged to become more familiar with the OSI plan and coordinate with business partners to ensure a seamless transition to the new system. To learn more about the option symbology initiative, visit www.optionsclearing.com/symbology.

II. Proposed ACATS Modifications

As part of the OSI plan, NSCC has identified the following modifications which will be made to the ACATS Fixed and Variable file formats. These modifications will be required on July 31, 2009.

- 1) Option Expiration Date Data Field - The field length will change from 6 bytes to 8 bytes. **These 2 additional bytes will be for the day (DD).** In addition, modifications will be made to the current field format of MMYCC. **The new field format will be CCYYMMDD.**
- 2) Option Strike Price Fraction/Decimal Data Field - The field length will change from 2 bytes to 3 bytes to accommodate the minimum required 3 decimal format. Until July 30, 2009, ACATS will continue to accept and report both fractions and decimals as we do today. **After July 30, 2009, the**

option strike price will only be accepted and reported in decimals where the values will be 000 through 999.

Until July 30, 2009, ACATS will only accept input for these data fields in the existing file formats. Output will continue to be reported as it is today. Members who submit data in the modified file formats before July 31, 2009 risk having their transactions rejected or placed in Review-Error Status. **After July 30, 2009, members MUST be able to submit data input and receive data output with these modified file formats.**

In order to prepare for these changes, members will have the ability to test in the Participant Service Environment (PSE) beginning in January 2009 and ending in July 2009.

The following is a list of the new modifications to the ACATS Fixed and Variable file formats.

New Input Modifications:

ACATS AT Variable – 36667

- 1) Option Expiration Date: The field length will include 2 additional bytes (change from a 6 byte field to an 8 byte field) which will use reserved spaces from the trailing Filler field. The field will start on Byte 441 and end on Byte 448. The new field format will be CCYYMMDD.
- 2) Option Strike Price Fraction/Decimal: The field length will include 1 additional byte (change from a 2 byte field to a 3 byte field) which will use reserved spaces from the trailing Filler field. The field will start on Byte 463 and end on Byte 465. The new field values will be 000 through 999.

ACATS AT Fixed - 32667

- 1) Option Expiration Date (Record 8): The field length will include 2 additional bytes (change from a 6 byte field to an 8 byte field) which will use reserved spaces from the trailing Filler field. The field will start on Byte 16 and end on Byte 23 on Record 8. The new field format will be CCYYMMDD.
- 2) Option Strike Price Fraction/Decimal (Record 8): The field length will include 1 additional byte (change from a 2 byte field to a 3 byte field) which will use reserved spaces from the trailing Filler field. The field will start on Byte 38 and end on Byte 40 on Record 8. The new field values will be 000 through 999.

Please note: NSCC will also make the above referenced changes to the asset data input screen on DTCC Web Direct.

New Output Modifications:

Multi-Cycle Transaction MRO AutoRoute 02090716 & End-of-Day Transaction MRO AutoRoute 02090717 (Variable Record Length)

- 1) Option Expiration Date: The field length will include 2 additional bytes (change from a 6 byte field to an 8 byte field) which will use reserved spaces from the trailing Filler field. The field will start on Byte 595 and end on Byte 602. The new field format will be CCYYMMDD.
- 2) Option Strike Price Fraction/Decimal: The field length will include 1 additional byte (change from a 2 byte field to a 3 byte field) which will use reserved spaces from the trailing Filler field. The field will start on Byte 617 and end on Byte 619. The new field values will be 000 through 999.

ACATS Output Settlement AutoRoute 02090719 (Variable Record Length)

- 1) Option Expiration Date: The field length will include 2 additional bytes (change from a 6 byte field to an 8 byte field) which will use reserved spaces from the trailing Filler field. The field will start on Byte 545 and end on Byte 552. The new field format will be CCYYMMDD.
- 2) Option Strike Price Fraction/Decimal: The field length will include 1 additional byte (change from a 2 byte field to a 3 byte field) which will use reserved spaces from the trailing Filler field. The field will start on Byte 567 and end on Byte 569. The new field values will be 000 through 999.

ACATS Output Position AutoRoute 02090718 (Variable Record Length)

- 1) Option Expiration Date: The field length will include 2 additional bytes (change from a 6 byte field to an 8 byte field) which will use reserved spaces from the trailing Filler field. The field will start on Byte 545 and end on Byte 552. . The new field format will be CCYYMMDD.
- 2) Option Strike Price Fraction/Decimal: The field length will include 1 additional byte (change from a 2 byte field to a 3 byte field) which will use reserved spaces from the trailing Filler field. The field will start on Byte 567 and end on Byte 569. The new field values will be 000 through 999.

Multi-Cycle Transaction MRO AutoRoute 02090722 & End-of-Day Transaction MRO AutoRoute 02090723 (Fixed Record Length)

- 1) Option Expiration Date (Record 16): The field length will include 2 additional bytes (change from a 6 byte field to an 8 byte field) which will use reserved spaces from the trailing Filler field. The field will start on Byte 16 and end on Byte 23 on Record 16. The new field format will be CCYYMMDD.
- 2) Option Strike Price Fraction/Decimal (Record 16): The field length will include 1 additional byte (change from a 2 byte field to a 3 byte field) which will use reserved spaces from the trailing Filler field. The field will start on Byte 38 and end on Byte 40 on Record 16. The new field values will be 000 through 999.

ACATS Output Settlement AutoRoute 02090725 (Fixed Record Length)

- 1) Option Expiration Date (Record 15): The field length will include 2 additional bytes (change from a 6 byte field to an 8 byte field) which will use reserved spaces from the trailing Filler field. The field will start on Byte 16 and end on Byte 23 on Record 15. The new field format will be CCYYMMDD.
- 2) Option Strike Price Fraction/Decimal (Record 15): The field length will include 1 additional byte (change from a 2 byte field to a 3 byte field) which will use reserved spaces from the trailing Filler field. The field will start on Byte 38 and end on Byte 40 on Record 15. The new field values will be 000 through 999.

ACATS Output Position AutoRoute 02090724 (Fixed Record Length)

- 1) Option Expiration Date (Record 15): The field length will include 2 additional bytes (change from a 6 byte field to an 8 byte field) which will use reserved spaces from the trailing Filler field. The field will start on Byte 16 and end on Byte 23 on Record 15. The new field format will be CCYYMMDD.
- 2) Option Strike Price Fraction/Decimal (Record 15): The field length will include 1 additional byte (change from a 2 byte field to a 3 byte field) which will use reserved spaces from the trailing Filler

field. The field will start on Byte 38 and end on Byte 40 on Record 15. The new field values will be 000 through 999.

In conjunction with the change to the required decimal format, the **Option Decimal/Fraction Indicator Data Field** will also be affected on all the above referenced output variable and fixed format files. Currently, this field contains 2 values (D=Decimal Strike Price and F=Fractional Strike Price). The **F** value will be removed effective July 31, 2009.

In addition to this, members should be aware that the OSI plan will also affect the Cost Basis Reporting Service (CBRS) file formats. The modifications to these formats will be outlined in a future important notice.

III. Additional Information

A copy of this Important Notice can be obtained from NSCC's web site <http://www.nsc.com> in the Important Notice section. This Important Notices can also be obtained from NSCC's ACATS web site <http://acats.nsc.com> in the Important Notice section. If you have any questions regarding these enhancements, please contact your DTCC Relationship Manager or the undersigned at (212) 855-4223.

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