

# IMPORTANT NOTICE

**The Depository Trust Company**



**#:** B5017-09  
**Date:** 5/26/09  
**To:** All Participants  
**Category:** Settlement  
**From:** Jack Manuel / Settlement Product Management  
**Attention:** Settlement Manager/Managing Director/Cashier  
**Subject:** Options Symbology Initiative (OSI) – Premium Payment Orders (PPOs)

In Important Notice# 3205-08 dated March 20, 2008, participants were advised to discontinue their programming efforts stemming from the Options Symbology Initiative (OSI) as they related to Premium Payment Orders (PPOs) because the Options Symbology Committee changed the implementation date to February 12, 2010. Participants are now advised to resume programming efforts for this initiative as the implementation date has been confirmed.

## **Proposed timeline – PPOs**

|                                      |   |
|--------------------------------------|---|
| May 2009                             | Updated versions of PPO user guides are available on the web.   |
| September 2009 – February 11, 2010   | DTC's Participant test system (U region) will be available for Participants to begin testing.   |
| October 30, 2009 – February 11, 2010 | Migration to new input and output formats (Participants can submit old or new formats).   |
| October 30, 2009                     | Participants must use the Premium Payment Orders function in the Participant Browser Service (PBS) for all manual input. <b>The Participant Terminal Service (PTS) will be disabled for all PPO input and reclaims through the POLU function and ART functions.</b> |
| February 12, 2010                    | Participants must fully convert to new input and output formats. Old formats will no longer be supported.   |

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## Modifications for PPOs

- **Expiration Date** will be expanded to include a field for day (DD) and century (CC).  
Old Format (version 01): MMYX (example: 0509)  
**New Format** (version 02): CCYYMMDD (example: 20090526)

This field is optional. If it is not entered, it must be filled with zeros.

- **Trading Symbol** will be expanded and renamed to **Option Symbol**.  
Old Format (version 01): XXXXX (example: ABCDE)  
**New Format** (version 02): XXXXXX (example: ABCDEF)

This field is optional. If entered:

- It can contain any number of characters, but the maximum is 6.
- Characters must be alphabetic or spaces – field cannot contain numeric or special characters.

- **Exercise Price** will be expanded.  
Old Format (version 01): 99999.99 (example: 12345.12)  
**New Format** (version 02): 999999.999999 (example: 123456.123456)

This field is optional. If entered:

- Amount must be numeric and greater than zero.
- Must have at least one digit before the decimal point. (can be a zero)
- Must have at least two digits after the decimal point. (can be zeros)

## **Additional Field Modifications for PPOs - input only:**

- **PPO Amount** will be changed to 9(11)V999 length of 14 from 9(10)V99 length of 12.  
Old Format (version 01): 999999999.99 (example: 1234567890.12)  
**New Format** (version 02): 9999999999.999 (example: 12345678901.123)
  - The last three bytes represent fractional amount, preceded by an implied decimal point and eleven bytes representing whole amount.
  - The first byte in the whole amount (leftmost) is provided to align with international standards and future expansion; however, **DTC will accept 10 digits only at this time.**
  - The 3rd decimal position is supplied to provide for future acceptance of foreign currency transactions. For US\$ transactions the least significant (rightmost) digit must be **zero**.
- New **Currency Code** field  
Old Format (version 01): None  
**New Format** (version 02): **USD** (example: USD)
  - The currency code for the transaction is defined as a 3 character field.
  - USD = US Dollars (currently DTC accepts USD only).

## **File Formats – PPOs**

### **1) POL 1/5 (5.22): Input of Payment Orders Instructions.**

- Used by participants to program MQ & NDM/FTP input of PPO transactions.
- For PPO processing, DTC has created a new input record called VERSION 02, which has a new record length = 323 characters
- During the migration period participants can submit using this new input record Version 02 or continue to submit using their current input format, Version 01.
- Effective February 12, 2010, participants will be required to submit PPOs using this new input record (Version 02).
- Participants can access this user guide from the below link.  
[http://www.dtcc.com/products/documentation/asset/ccf/settlement/22pol1\\_5.pdf](http://www.dtcc.com/products/documentation/asset/ccf/settlement/22pol1_5.pdf)

### **2) CFDPOC (5.04): Input of Payment Orders via CCF2**

- DTC will not make modifications to this input format. Participants who currently use this input file format must move to another form of input for PPOs.
- Participants can access this user guide from the below link.  
<http://www.dtcc.com/products/documentation/asset/ccf/settlement/04CF2POC.pdf>

### **3) MQ PO (20.02): Payment Order Output (For SPO, PPO and ACATS Pavorder)**

- Used by participants to describe the receipt of Machine Readable Output (MRO) associated with PPO transactions.
- DTC will not be producing Version 1 and Version 2 of this output. Instead, DTC has taken existing filler, beginning on position 399 and ending on position 424, and used it for the new extended format of the fields affected by the OSI.
- During the migration period, both sets of fields, the original and new OSI extended fields, will be populated. Participants should program to receive the new extended data by February 12, 2010, when data in the original fields will no longer be populated.
- Participants can access this user guide from the below link.  
<http://www.dtcc.com/products/documentation/asset/ccf/settlement/02Payment.pdf>

#### **4) PARTPO (5.13): DTC Participant Account Return Payment Order Output.**

- Used by participants to describe the receipt of NDM/FTP output associated with PPO transactions.
- The DTF System will be modified to use existing filler in their machine-readable output PART PO records to define the new, expanded PPO fields.
- During the migration period, both the original and new OSI extended fields will be populated.
- Effective February 12, 2010, participants will be required to use new formats.
- Participants can access this user guide from the below link.  
<http://www.dtcc.com/products/documentation/asset/ccf/settlement/13PARTPO.pdf>

Questions regarding this Important Notice may be directed to your DTCC Relationship Manager, the Settlement Hotline at 1-888-360-3822 or the undersigned at 212-855-5921.

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