

Electronic Blue Sheet (EBS) Submissions

EBS Submissions Following Implementation of the Option Symbolology Initiative

Executive Summary

The Options Clearing Corporation and its participant exchanges have begun the implementation of the Option Symbolology Initiative, which will affect FINRA member firms' Electronic Blue Sheet submissions.

Firms are expected to describe all exchange-traded options using explicit data elements (*i.e.*, the Option Symbolology Initiative) instead of the current Options Price Reporting Authority codes beginning February 12, 2010.

This *Regulatory Notice* outlines changes to the blue sheet record layout as a result of the implementation of the Option Symbolology Initiative. Attachment A to this *Notice* sets forth the changes to the blue sheet record layout and Attachment B outlines the existing account type identifiers. The modified format may be used on a voluntary basis starting on April 30, 2009, but is not required to be used until February 12, 2010. This *Notice* also provides answers to frequently asked questions.

- Questions concerning the implementation of the Option Symbolology Initiative and its effect on EBS submissions should be directed to Ron Veith, International Securities Exchange, at (212) 897-8130 or rveith@ise.com.
- Questions concerning EBS submissions to FINRA generally should be directed to Rosario J. Braisted, FINRA, at (240) 386-4987 or at rose.braisted@finra.org.

March 2009

Notice Type

- Guidance

Suggested Routing

- Legal
- Compliance
- Operations
- Senior Management

Key Topic(s)

- Blue Sheets

Referenced Rules & Notices

- FINRA Rule 8211
- FINRA Rule 8213



Discussion

In June 2008, the Options Clearing Corporation (OCC) and its participant exchanges began implementing the Option Symbolology Initiative (OSI).¹ By February 12, 2010, all exchange-traded options are expected to be described using explicit data elements, instead of the current Options Price Reporting Authority (OPRA) codes.

Following the implementation of OSI, firms must be able to support explicit options identifiers that will require a change to existing blue sheet record layouts. In order to support OSI, the Securities Industry Automation Corporation (SIAC) has modified the blue sheet record layout. Changes to the blue sheet record layout are included as Attachment A. In addition, existing account type identifiers are outlined in Attachment B. The modified format may be used on a voluntary basis starting on April 30, 2009, but is not required to be used until February 12, 2010.

Firms should pay special attention to the following areas of Attachment A:

Record Sequence Number One, Field Positions 22 to 29 (page 2 of 4)

Anyone submitting option activity using the OSI symbolology (whether voluntarily after April 30, 2009, or as required after February 12, 2010) must write the characters OPTIONXX in this field and complete Record Sequence Number Six (page 4 of 4).

Record Sequence Number Six (page 4 of 4)

This record should be used to submit the OSI symbolology. It 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 (page 2 of 4)

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. See Attachment A for the codes. Non-market makers should not mark trades as 0 or 1.

Blue Sheet Submissions to FINRA

Firms should note that FINRA will reject an entire blue sheet submission that meets either one of the following conditions:

- (1) If the Ticker Symbol field of Record Sequence Number One contains the characters OPTIONXX and no corresponding Record Sequence Number Six is included; or
- (2) If the Record Sequence Number Six is included and the Ticker Symbol field of Record Sequence Number One does not contain the characters OPTIONXX.

Firms are reminded that failure to properly fill out the blue sheet fields is a violation of FINRA Rule 8211 and/or FINRA Rule 8213.

FINRA Customer Testing

Starting on April 30, 2009, FINRA will open its Customer Test Web site. Firms that want to test the modifications made to their blue sheet record layout can submit their test data to <https://regfilingtest.finra.org/>. A firm should use the same user ID and password to access the customer test Web site as they use to access the production Web site.

Frequently Asked Questions

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

Yes, FINRA and all exchanges will be ready to accept Record Six by April 30, 2009. From that point on, FINRA, SIAC and all exchanges will be able to accept both current OPRA codes and OSI symbology data.

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

Firms may leave Record Six blank as long as all currently required fields in Records One through Five are properly filled out and the correct OPRA code is provided. Only when a firm inputs the characters OPTIONXX in the ticker symbol field (positions 22 to 29 of Record One) will Record Six be required to be accurately completed.

3. Will all the 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 (that is, options traded under the old and new symbology)?

The ISG will be able to accept either OPRA codes or the OSI symbology for blue sheet 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 a blue sheet request for options activity in IBM from November 1, 2009, through February 28, 2011, the firm can either:

- submit one blue sheet for the entire period using the new symbology/Record Six (if the firm “back converted” all IBM options to the new symbology); or
- submit one set of records for the period November 1, 2009, through December 31, 2009 (using OPRA codes) and then a separate set of records for January 1, 2010, through February 28, 2011 (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 you are submitting OSI symbology data, all details required to identify the option should be included in Record Six. Any information in the CUSIP field will be disregarded if OPTIONXX is present in the symbol field of Record One.

Endnotes

- 1 The OSI is a plan to overhaul the existing method of identifying exchange-traded options contracts to decrease the current limitations in today's marketplace. This will be accomplished with the elimination of OPRA codes and fractional strike price values. The new Symbology Key will contain explicit expiration dates (including day) and decimal strike price values. All current information regarding the Option Symbology Initiative is located at www.theocc.com/initiatives/symbology/default.jsp. This includes links to all specific Exchange OSI Web sites containing updated technical specifications.

Attachment A Record Layout for Submission of Trading Information

Date: 03/30/2009
Page 1 of 4

Field Position		Field Length	Field Name/Description/Remarks	Field Format	Justify	Picture Clause	Default Value
From	To						
			This Record Must Be the First Record of the File				
1	3	3	FILLER	A	LJ	X (3)	HDR
4	5	2	FILLER	A	LJ	X (2)	.S
6	10	5	DTRK-SYSID	N	LJ	9 (5)	12343
11	12	2	FILLER	A	LJ	X (2)	.E
13	14	2	FILLER	N	LJ	9 (2)	00
15	16	2	FILLER	A	LJ	X (2)	.C
17	20	4	DTRK-ORIGINATOR Please call SIAC for assignment (212) 383-2210	A	LJ	X (4)	--
21	22	2	FILLER	A	LJ	X (2)	.S
23	26	4	DTRK-SUB-ORIGINATOR Please call SIAC for assignment (212) 383-2210	A	LJ	X (4)	--
27	27	1	FILLER	A	LJ	X (1)	B
28	33	6	DTRK-DATE Contains submission date.	N	LJ	9 (6)	MMDDYY
34	34	1	FILLER	A	LJ	X (1)	B
35	59	25	DTRK-DESCRIPTION Required to identify this file.	A	LJ	X (25)	FIRM TRADING INFORMATION
60	80	21	FILLER	A	LJ	X (21)	B
1	1	1	HEADER RECORD CODE Value: Low Values OR ZERO	A	--	X	--
2	5	4	SUBMITTING BROKER NUMBER If NSCC member use NSCC clearing number. If not a NSCC member, use clearing number assigned to you by your clearing agency.	A-R	LJ	X (4)	B
6	40	35	FIRM'S REQUEST NUMBER Tracking number used by the firm to record requests from an organization.	A	--	X (35)	B
41	46	6	FILE CREATION DATE Format is YYMMDD	A	--	X (6)	--
47	54	8	FILE CREATION TIME Format is HH:MM:SS	A	--	X (8)	--
55	55	1	REQUESTOR CODE Requesting Organization Identification Values:	A	--	X	--
			A = New York Stock Exchange				
			B = NYSE AMEX				
			C = Chicago Stock Exchange				
			D = NASDAQ OMX PHLX				
			E = NYSE Arca				
			F = Boston Stock Exchange				
			G = National Stock Exchange				
			H = BATS Trading				
			I = International Securities Exchange				
			K = Chicago Board Options Exchange				
			R = FINRA				
			X = Securities Exchange Commission				
			Z = Other				
			Field Format A = Alphanumeric (all caps) N = Numeric P = Packed B = Binary R = Validation Required	Default Values—Code B = Blanks Z = Zero	Justify RJ = Right Justification of Data LJ = Left Justification of Data		

Attachment A Record Layout for Submission of Trading Information

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Field Position		Field Length	Field Name/Description/Remarks	Field Format	Justify	Picture Clause	Default Value
From	To						
56	70	15	REQUESTING ORGANIZATION NUMBER Number assigned by requesting organization	A	LJ	X (15)	B
71	80	10	FILLER	A	--	X (10)	B
1	1	1	RECORD SEQUENCE NUMBER ONE The first record of the transaction. Value: 1	A	--	X	--
2	5	4	SUBMITTING BROKER NUMBER Identical to Submitting Broker Number in Header Record	A-R	LJ	X (4)	--
6	9	4	OPPOSING BROKER NUMBER The NSCC clearing house number of the broker on the other side of the trade.	A-R	LJ	X (4)	B
10	21	12	CUSIP NUMBER The cusip number assigned to the security. Left justified since the number is nine characters at present (8+ check digit) but will expand in the future.	A	LJ	X (12)	B
22	29	8	TICKER SYMBOL The symbol assigned to this security. For options (pre-OSI), the OPRA option symbol (<i>space</i>), OPRA expiration month symbol and OPRA strike price symbol should be used. (Ex. Maytag May 20 call option series would be reported as MYG ED. This example uses six spaces in the field with a space between the OPRA symbol and the OPRA expiration month.) Post OSI this field must contain OPTIONXX and a Record Sequence Number Six must be completed	A-R	LJ	X (8)	B
30	35	6	TRADE DATE The date this trade executed. Format is YYMMDD.	A-R	--	X (6)	B
36	41	6	SETTLEMENT DATE The date this trade will settle. Format is YYMMDD	A	--	X (6)	B
42	53	12	QUANTITY The number of shares or quantity of bonds or option contracts.	N-R	RJ	9 (12)	Z
54	67	14	NET AMOUNT The proceeds of sales or cost of purchases after commissions and other charges.	N	RJ	S9(12) V99	Z
68	68	1	BUY/SELL CODE Values: 0 = Buy, 1 = Sale, 2 = Short Sale, 3 = Buy Open, 4 = Sell Open, 5 = Sell Close, 6 = Buy Close. A = Buy Cancel, B = Sell Cancel, C = Short Sale Cancel, D = Buy Open Cancel, E = Sell Open Cancel, F = Sell Close Cancel, G = Buy Close Cancel. Values 3 to 6 and D to G are for options only	A-R	--	X	B
69	78	10	PRICE The transaction price. Format: \$\$\$\$ CCCCCC.	N-R	RJ	9(4)V(6)	Z
79	79	1	EXCHANGE CODE Exchange where trade was executed. Values:	A-R	--	X	B
			A = New York Stock Exchange				
			B = NYSE AMEX				
			C = Chicago Stock Exchange				
			D = NASDAQ OMX PHLX				
			E = NYSE Arca				
			F = Boston Stock Exchange				
			Field Format A = Alphanumeric (all caps) N = Numeric P = Packed B = Binary R = Validation Required	Default Values—Code B = Blanks Z = Zero	Justify RJ = Right Justification of Data LJ = Left Justification of Data		

Attachment A Record Layout for Submission of Trading Information

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Field Position		Field Length	Field Name/Description/Remarks	Field Format	Justify	Picture Clause	Default Value
From	To						
			G = National Stock Exchange				
			H = BATS Trading				
			I = International Securities Exchange				
			K = Chicago Board Options Exchange				
			L = London Stock Exchange				
			M = Toronto Stock Exchange				
			N = Montreal Stock Exchange				
			O = TSX Venture Exchange				
			Q = FINRA ADF				
			R = NASDAQ/NASDAQ Options Market				
			S = Over-the-Counter				
			T = Tokyo Stock Exchange				
			W = CBSX (CBOE Stock Exchange)				
			Z = Other				
80	80	1	BROKER/DEALER CODE Indicate if trade was done for another Broker/Dealer. Values: 0 = No; 1 = Yes	A-R	--	X	B
1	1	1	RECORD SEQUENCE NUMBER TWO Value: 2	A	--	X	--
2	2	1	SOLICITED CODE Values: 0 = No; 1 = Yes	A-R	--	X	B
3	4	2	STATE CODE Standard Postal two character identification.	A-R	--	X (2)	B
5	14	10	ZIP CODE/COUNTRY CODE Zip Code -- five or nine character (zip plus four) Country code -- for future use.	A-R	LJ	X (10)	B
15	22	8	BRANCH OFFICE/REGISTERED REPRESENTATIVE NUMBER Each treated as a four-character field. Both are left justified.	A-R	LJ	X (8)	B
23	28	6	DATE ACCOUNT OPENED Format is YYMMDD	A-R	--	X (6)	B
29	48	20	SHORT NAME FIELD Contains last name followed by comma (or space) then as much of first name as will fit.	A	LJ	X (20)	B
49	78	30	EMPLOYER NAME	A	LJ	X (30)	B
79	79	1	TIN 1 INDICATOR Values: 1 = SS#; 2 = TIN	A-R	--	X	B
80	80	1	TIN 2 INDICATOR Values: 1 = SS#; 2 = TIN -- for future use.	A	--	X	B
1	1	1	RECORD SEQUENCE NUMBER THREE Value: 3	A	--	X	--
2	10	9	TIN ONE Taxpayer Identification Number Social Security or Tax ID Number.	A-R	LJ	X (9)	B
11	19	9	TIN TWO Taxpayer Identification Number #2 Reserved for future use.	A	LJ	X (9)	B
20	20	1	NUMBER OF N&A LINES	A	--	X	B
			Field Format A = Alphanumeric (all caps) N = Numeric P = Packed B = Binary R = Validation Required	Default Values— Code B = Blanks Z = Zero	Justify RJ = Right Justification of Data LJ = Left Justification of Data		

Attachment A Record Layout for Submission of Trading Information

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Field Position		Field Length	Field Name/Description/Remarks	Field Format	Justify	Picture Clause	Default Value
From	To						
21	50	30	NAME AND ADDRESS LINE ONE	A-R	LJ	X (30)	B
51	80	30	NAME AND ADDRESS LINE TWO	A-R	LJ	X (30)	B
1	1	1	RECORD SEQUENCE NUMBER FOUR	A	--	X	--
			Value: 4				
2	31	30	NAME AND ADDRESS LINE THREE	A-R	LJ	X (30)	B
32	61	30	NAME AND ADDRESS LINE FOUR	A-R	LJ	X (30)	B
62	62	1	ACCOUNT TYPE IDENTIFIERS See Attachment B for current codes.	A-R	--	X	B
63	80	18	ACCOUNT NUMBER Account number	A-R	LJ	X (18)	B
1	1	1	RECORD SEQUENCE NUMBER FIVE	A	--	X (1)	--
			Value: 5				
2	31	30	NAME AND ADDRESS LINE FIVE	A-R	LJ	X (30)	B
32	61	30	NAME AND ADDRESS LINE SIX	A-R	LJ	X (30)	B
62	65	4	PRIME BROKER Clearing number of the account's prime broker.	A-R	LJ	X (4)	B
66	66	1	AVERAGE PRICE ACCOUNT 1 = recipient of average price transaction. 2 = average price account itself.	N-R	--	9 (1)	Z
67	71	5	DEPOSITORY INSTITUTION IDENTIFIER Identifying number assigned to the account by the depository institution.	A-R	LJ	X (5)	B
72	80	9	FILLER	A	--	X (9)	B
1	1	1	RECORD SEQUENCE NUMBER SIX	A	--	--	
			Value: 6				
2	9	8	DERIVATIVE SYMBOL The symbol assigned to the derivative	A	LJ	--	B
10	15	6	EXPIRATION DATE The date the option expires. Format is YYMMDD	A	--	--	B
16	16	1	CALL/PUT INDICATOR C = Call, P = Put	A	--	--	B
17	24	8	STRIKE DOLLAR The dollar amount of the strike price	N	RJ	--	Z
25	30	6	STRIKE DECIMAL The decimal amount of the strike price	N	RJ	--	Z
31	80	50	FILLER	A	LJ	--	B
1	1	1	TRAILER RECORD DATE One record per submission. Must be the last record on the file. Value: High Values or "9"	A	--	X	--
2	17	16	TOTAL TRANSACTIONS The total number of transactions. This total excludes Header and Trailer Records.	N	RJ	9 (16)	B
18	33	16	TOTAL RECORDS ON FILE The total number of 80 byte records. This total includes Header and Trailer Records, but not the Datatrak Header Record (i.e., does not include the first record on the file).	N	RJ	9 (16)	Z
34	80	47	FILLER	A	--	X (47)	B
			Field Format A = Alphanumeric (all caps) N = Numeric P = Packed B = Binary R = Validation Required	Default Values—Code B = Blanks Z = Zero		Justify RJ = Right Justification of Data LJ = Left Justification of Data	

Attachment B Record Layout for Submission of Trading Information

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Transaction Type	Security Type	
	Equity*	Options
Non-Program Trading, Agency	A	C
Non-Index Arbitrage, Program Trading, Proprietary	C	
Index Arbitrage, Program Trading, Proprietary	D	
Index Arbitrage, Program Trading, Individual Investor	J	
Non-Index Arbitrage, Program Trading, Individual Investor	K	
Non-Program Trading, Proprietary	P	F
Non-Program Trading, Individual Investor	I	
Non-Index Arbitrage, Program Trading, Agency	Y	
Index Arbitrage, Program Trading, Agency	U	
Index Arbitrage, Program Trading, as Agent for Other Member	M	
Non-Index Arbitrage, Program Trading, as Agent for Other Member	N	
Non-Program Trading, as Agent for Other Member	W	
Specialist	S	S
Market-Maker		M
Non-Member Market-Maker/Specialist Account		N
Stock Specialist – Assignment		Y
Short Exempt, Agency	B	
Customer Range Account of a Broker/Dealer		B
Registered Trader	G	
Error Trade	Q	
Competing Market Maker Proprietary Transaction: Affiliated w/ Clearing Member	O	
Competing Market Maker: Unaffiliated Member's Competing Market Maker	T	
Competing Market Maker: Non-Member	R	
Short Exempt Transaction: Proprietary Account of Clearing Member Organization or Affiliated Member/Member Organization	E	
Short Exempt Transaction: Proprietary Account of Unaffiliated Member/Member Organization	F	
Short Exempt Transaction: Individual Customer Account	H	
Short Exempt Transaction: Competing Market Maker this is a Member/Member Organization Trading for own account	L	
Short Exempt Transaction: One Member Acting as Agent for Another Member's Competing Market Maker Account	X	
Short Exempt Transaction: Account of Non Member Competing Market Maker	Z	
Amex Option Specialist/Market Maker Trading Paired Security	V	
Registered Trader Market Maker Transaction Regardless of the Clearing Number		P
Transactions cleared for a NASDAQ market maker that is affiliated w/ the clearing member that resulted from telephone access to the specialist. Amex Only.	3	
Transactions cleared for a member's NASDAQ market maker that is not affiliated with the clearing member that resulted from telephone access to the specialist. Amex Only.	4	
Transactions cleared for a non-member NASDAQ market maker that is not affiliated with the clearing member that resulted from telephone access to the specialist. Amex Only.	5	
* Equity securities include those securities that trade like equities (e.g., ETFs and Structured Products).		