

Large Options Positions Reporting (LOPR) Frequently Asked Questions

Q1: What is the current cutoff time to submit LOPR?

A: 8 PM Central time on T+1.

Q2: Will users be able to mend or repair LOPR Rejects on the OCC platform or will firms be required to resubmit in the next day's file?

A: Submit in next day's file.

Q3: Current industry practice is generally to report end of day positions to LOPR. Will this change in the new reporting structure?

A: This will not change for listed options. For OTC options the requirement remains the same. Intraday and End of Day positions are reported for OTC options.

Q4: Perhaps the feasibility of combining or integrating the processes for reporting LOPR and delta-hedge exceptions should be considered? For firms that use delta hedging exception, will (or should) the new LOPR provide the ability to include the delta-hedge information, or an indicator that the reported option position was delta-hedged?

A: The ability to include Delta Hedge information is not included.

Q5: What is meant by "predefined validations" within the context of Data validation/Record processing? Depending on the complexity of the validations this may have an impact on firm's processes, including changes in the time we submit to ensure enough time is available to correct, manual support and intervention to review errors and changes in current process and procedures.

A: OCC will be validating the data that is received from the firms. LOPR submissions that fail validation by OCC will be returned to the submitting firm as a Rejected LOPR Submission. Firms will receive their Rejected LOPR Submissions in a FIXML file and will be available in a print image report. The individual reject will contain the reason(s) for rejection. Firms will have an opportunity to resubmit their Rejected LOPR Submissions the following business day, as long as the T-Plus period is not exceeded.

Q6: How many digits are to be used for the OCC Clearing Member Number?

A: As with all data sent to OCC, the standard 5 digit Clearing Member must be used. Leading zeros will likely be necessary.

Examples of valid OCC Clearing Member numbers include 00005, 00015 and 00443.

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Q7: Is there existing guidance or will they issue guidance on what types of futures will be acceptable hedges and how to report them as hedges?

A: It is not our intention to codify rules within the LOPR User Guide and the OCC will not validate the appropriateness of a hedge record submission. Please refer to SRO rules for specific guidance.

Q8: Is there a maximum length for a FIXML message?

A: No.

Q9: Is there any data that has a maximum field size/length?

A: OCC's maximum database lengths for certain fields are below. Data that exceeds these lengths will cause the LOPR to reject:

Fields Length

RptID – 30

Txt – 255

Request ID - 10

Pty.ID (Firm Number) – 10

Pty.ID (Pos Acct Nbr) – 30

Pty.ID (Acct Nbr) – 30

Sub.ID (Acct Name) – 70

Sub.ID (Street Addr) – 100

Sub.ID (City) – 35

Pty.ID (Tax Nbr) – 15

Sub.ID (Branch ID) – 30

Pty.ID (CRD Nbr) – 10

Pty.ID (In Concert Group ID) – 30

Pty.ID (In Concert Controlling Entity Name) – 70

Symbol – 6

Hedge Instrument Symbol – 6

Underlying Symbol (of the OTC Option) – 6

Q10: What is the full list of valid codes for Security Type and Security Sub type?

A: For LOPR purposes, the Security Type values that will be used are OPT, WAR, CS and FUT. The Security Subtype values that are used are ETO and OTC. Other values used for Security Subtype are agreed upon by the parties involved. We only need to further define an Option as Exchange Traded or Over The Counter.

Q11: Some dates have sample data with dashes and others do not. Can we take it that the sample data shows the correct format?

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A: Yes. The Clearing Business Date and Effective Date use dashes, while Maturity Month Year does not use dashes.

Clearing Business Date (tag 715) YYYY-MM-DD

Maturity Month Year (tag 200) YYYYMMDD

Effective Date for Position (tag 976) YYYY-MM-DD

Q12: Position Account Number (tag 448), does this represent our aggregation unit? How is it populated?

A: Tag 448 when used with Role=38 is the aggregation unit.

Q13: Do we want to take the first 30 characters as the name (name1), or do we take name1 through name5?

A: Name can hold up to 70 characters. Anything greater will cause the LOPR to reject.

Q14: Do we want to take the first 30 characters as the street (street1) or do we take street1 through street5?

A: Street Address can hold up to 100 characters. Anything greater will cause the LOPR to reject. Separate, individual fields must be used for City, for State and for Postal Code. State is required if the Country Code provided is US. If the Country Code is not the US, State may not be applicable for other countries and thus is not required.

Q15: Does the Tax number need to be formatted with dashes on the 4th and 7th digits?

A: No dashes are required.

Q16: If numeric data is zero do we include it in the XML message?

A: The firms must report the long, short and covered quantities (if an option) even if zero. The only other Qty field is the Underlying Qty for OTC options and it should never equal zero.

Q17: Will you send the reason for rejection in the XML format data?

A: Yes, tag 1328 Reject Text will be included on the PosMntRpt (reject messages) explaining why the submission rejected.

Q18: InConcert, can an account belong to more than one InConcert group ID?

A: No.

Q19: Does the InConcert transmission need to be generated daily?

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A: Any InConcert Adds or Deletes should be included in the daily LOPR file. There is not a separate file. If there are none to report for a given day, then no InConcert records should be generated. We are trying to provide more flexibility and keeping the information more up-to-date by allowing the adds/deletes on a daily basis versus monthly.

Q20: Request ID field –do we need to have a unique ID (the ID changes for each firm every time we send) or does each firm need a set unique ID that we would send each time we submit?

A: The Request ID should be unique per file, regardless of the firm ID. The Request ID is for the benefit of the submitting firm. If the submitting firm submits 500 LOPRs to OCC and the Request Ids are 00115 – 00614 and 3 of 500 reject, OCC will send 3 reject records back to the submitting firm. Each of the 3 rejects will have the respective Request Ids included so they will know exactly which 3 of the original 500 rejected.

Q21: Is the reporting of positions changing?

A: Yes, instead of long, short uncovered and short covered, you will now report long, total short and total covered quantity (a subset of the total short position).

Q22: Is there any change to the reporting of positions on Friday prior to Expiration?

A: No. All positions effective as of the end of the day on Friday must be reported to LOPR. Remember, positions do not expire until Saturday, therefore, those positions are still held as of the end of the day on Friday.

Q23: What effective date do we use for as of or CMTA'd trades?

A: You should use the date the position was acquired by the customer (the trade date). In some instances you should use the date the position was transferred into your firm (the date the position was effectively held by a customer at your firm). The transfer date, as opposed to the date the position was acquired by the customer, should only be used if the position was held at another firm for a period of time and thus was reported to LOPR under a different clearing member.

Q24: Is there anything to do if a previously reported position falls below the reportable limit?

A: Members must report any account or accounts acting “in concert” that hold over 200 contracts on either the long call/short put(bullish) or the short call/long put (bearish) side of the market. A member must report every subsequent change in the account’s end of day (exchange traded) or intraday (OTC) positions. If an account drops below 200 contracts, the member must report the first time that the account falls below the

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reporting threshold and then may stop reporting for as long as the position does not exceed 200 contracts.

Firms may continue to maintain positions previously reported, until the position is expired or closed. If a firm chooses to continue reporting positions below 200 contracts, when the position is closed, the firm must submit a delete record, indicating the position in that series has been closed.

Q25: Is there a way for me to know if my records are being processed correctly by the OCC?

A: The firms (or their designated reporting service) will receive all records rejected by the OCC as part of the FIXML transmission.

Q26: The product being reported will dictate whether or not a tag/field is used. For example, if the product being reported is not for Hedge purposes, then the hedge instrument block will not be used. How can this requirement actually be monitored? What if a firm doesn't indicate that the product is being reported for hedge purposes? What dictates that a product is being reported for hedge purposes? How was this handled in the past?

A: In today's world only equities are used as a hedge and separate record types are used to report a hedge on an OTC or hedge on a listed option. The HedgeInstrument block is used to report your equities or futures used as a hedge.

Use of the HedgeInst block dictates that a product is being reported for hedge purposes. The option being hedged will be provided in the Instrument block of the same submission reporting the position in the hedge instrument.

The actual *monitoring* of whether you do or don't report a position used as a hedge is done by the SROs that receive the LOPRs from OCC.

Q27: Is InConcert data relevant for OTC trades/the OTC market?

A: Yes.

Q28: If the OTC option series expiration date for a submitted LOPR is greater than the T-Plus quantity, OCC will reject the LOPR - Since the expiry date of an option underlying is after the report date + 5 or 10 days (which it nearly always will be), will the record will be rejected?

A: This is actually 5 days in the past, not the future. You can't submit a LOPR on an option that has expired more than 5 days in the past.

Q29: What is a position account number? Should we always default to AGGU?

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A: The Aggregation Unit is used to distinguish between approved aggregation units for position limit purposes. If your firm does not have any, then nothing should be reported.

Q30: Do the rules for reporting intraday positions remain the same e.g. only send an intraday if it is bigger than the final position? “The submitting firm must include the intraday long and short quantity for each LOPR submission on OTC options”.

A: The rule to report Intraday quantities on OTCs if bigger than the final position still applies, but we are now requiring that Intraday quantities be supplied on every OTC option. 0 is considered a valid value for intraday quantities.

Q31: For each position (at a series level) do we need to send 2 add messages, one for the firm side and one for the client side?

A. Yes, the firm position and the client positions are held separately and should be reported separately.

Q32: “Contract quantity (Share Quantity if Hedge Equity)” what does this mean?

A. If reporting an options position then the number of contracts, if reporting an equity hedge then the number of shares.

Q33: Where can we get the number of contracts in order to correctly submit our LOPRs? Number of options/contract size? Where do we get the contract size from?

A: OCC provides contract size on a nightly basis for listed options. OTCs will have to be obtained from your internal sources.

Q34: When should the correction text be populated? Only when a position is being closed because it was an error e.g. post report date amendments and rejections?

A: Correct.

Q35: Should the correction text be populated with default values or free text that the users enter?

A: There was a discussion of a list of suggested values, but one has not been created. For now use as free text to indicate what the error was.

Q36: Are there any limits on the number of digits a value can be or the number of decimal places it is allowed?

A: There is no global answer to the “number of digits”. Strike price is the only field where decimal places is applicable. Since strike prices currently trade in eighths, you only need to go 3 decimal places. Anything longer will not be applicable.

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Q37: All final positions on a delete message must be zero – is it valid to have intraday position values on a delete?

A: No, do not include the intraday position on a delete of an OTC option.

Q38: Page 8 of LOPR reference guide for firms – “Firms will have the opportunity to resubmit their rejected LOPR submissions the following business day as long as T-plus period is not exceeded” – how long is the T-Plus period (5 days?) and what happens if this period is exceeded?

A: The T-plus period is 5 days. If the firm exceeds the T-Plus period, the LOPR will be rejected.

Q39: ReqID - “Unique identifier supplied by submitter” – Must be unique just on today’s report not unique between reports – is that right?

A: Correct. On a given day the ReqID must be unique. On a future file, you may re-use that ReqID. The ReqID is intended to be used as a reference for the firm when they receive Rejected LOPRs. OCC will pass through this ReqID to the firm as RptID and you can track to the original LOPR submitted.

Q40: When do firms need to contact their SRO when availing themselves of the option to purge all OCC LOPR data?

A: Firms requesting a refresh should do so in writing (email) to their SRO and cc: the OCC, requesting the authorization. Firms should provide contact info (name, email address, phone) and the date(s) of the refresh. The SRO will then reply to all to give the approval.

Q41: Is it OK for a firm to submit LOPR data for Listed Options and a service bureau submit OTC Options for the same firm?

A: Yes.

Q42: Is it OK for a firm to submit LOPR In-concert information for Listed Options and a service bureau submit OTC In-concert information for the same firm?

A: Yes.

Q43: How frequently should firms submit In-concert information? Monthly?

A: The OCCLOPR system has been designed to accept the In-concert information on a daily basis.

Q44: Is an Intraday position for OTC options required if there is no end of day position?

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A: An intraday position is required if the position was not previously reported. If a firm enters into a reportable OTC position and close it out the same day, an ADD should be sent to OCC with zero values for the end of day quantities, but the intraday quantity(s) reflecting that intraday position should be sent. OCC will pass this LOPR to the SRO snapshot that evening and purge it after one day. No subsequent delete will be needed.

If the position previously existed and the position is being closed out, no intraday position should be reported. A DEL record should be sent with the end of day quantities equal to zero. No intraday quantities are necessary.

Q45: If we send an In Concert Group that contains three accounts do we have to report those same three accounts separately with their corresponding positions on LOPR?

A: If the positions are already reported to the LOPR and you are just adding the aggregation of accounts for InConcert purposes then you would transmit an In Concert Group Submission, there would be no need to re-report the existing positions. However, if the positions are not already reported, then you would have to submit both the Large Options Position Report Submission and the In Concert Group Submission.

Q46: How are Currency and Index Warrants reported?

A: There are no reportable listed Currency or Index warrants at this time for any of the exchanges.

Q47: Is there a standard FIX header and trailer that we should be using?

A: Yes. The standard FIXML header and ending tags expected by OCC are:

```
<FIXML r="20030618" s="20040109" v="4.4" xr="FIA" xv="1.1" xmlns="http://www.fixprotocol.org/FIXML-4-4">  
  <Batch>  
    PosMntReq messages and RgstInstrctns messages  
  </Batch>  
</FIXML>
```

Q48: How should firms handle accounts that should occur in multiple InConcert groups at the same firm?

A: Although accounts cannot currently be included in multiple InConcert groups, firms should have a reasonable process to identify these accounts and include them in the larger InConcert group, by contract volume.

Q49: Should positions in weekly options be reported for effective dates equal to the expiration date of the option?

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A: Yes, Firm should report the final positions held to the LOPR for the effective date equal to the expiration date of weekly options. For example if you establish or modify a position on Friday in a weekly option, the position as of the end of the day that will be subject to exercise or assignment needs to be reported to the LOPR.

Q50: How should firms determine the appropriate Intraday Short and Intraday Short Covered Quantities to report if the short position and/or hedge changes during the day (OTC Options only)?

A: The Intraday Short Covered Position should indicate the smallest short covered position held during the day, while the Intraday Short position should indicate the largest short position held during the day.

Q51: Who is responsible for reporting in-concert for members who clear positions for other broker-dealers?

A: For firms who clear positions of other broker-dealers on a fully disclosed basis, both members must have their own reasonable process to identify and report accounts that are acting in-concert. If positions are reported to the clearing firm on an omnibus basis, only the member reporting the individual accounts to the LOPR must have a reasonable process to identify and report accounts that are acting in-concert.

Q52: Do proprietary positions need to be reported to the LOPR?

A: Unless otherwise required, for firm proprietary accounts, only the firm's hedge instruments position need be reported. However, broker-dealer positions for firms other than that of the OCC member clearing firm, including those positions cleared in the firm range at the OCC (usually as the result of a JBO), must be reported to the LOPR.

Q53: What account type do I use for reporting positions to the LOPR?

A: Positions must be reported to the LOPR with the same Account Type as where the position resides at the OCC. This includes any positions held by non-member affiliates as well as any positions for broker-dealer customers of the clearing firm.

Q54: Can I clear trades through one clearing member number and report positions to a different clearing member number for margining or other purposes?

A: No, positions must be reported to the LOPR in the same clearing member number as where the position resides at the OCC.