



**OPTION SYMBOLOGY  
INITIATIVE (OSI)  
COMMITTEE**

**VENDOR SUBCOMMITTEE**

**AUGUST 14, 2008**



# Agenda

- Objective of OSI Vendor Subcommittee
- Other Related Efforts
- OSI Milestone Dates
- OSI Compliant Option Contract Identifiers
- Comparison of Option Contract Identifiers – today vs. post OSI Implementation and symbol consolidation
- Broker/Dealers - Internal Identification of Option Contracts
- Broker/Dealers – Presentation to Clients
- Vendor Presentations
  - Sungard (GMI and Phase 3)
  - Townsend Analytics
  - Broadridge



## Objective of OSI Vendor Subcommittee

- To have a more focused forum to discuss how service bureaus, technology vendors and market data providers (“vendors”) plan to become “OSI Compliant” for the new symbology key
  
- Objective of this meeting:
  - Level set in terms of the 4 key data elements
  - Hear from a few “vendors” as to their plan to become OSI compliant

The most current version of the plan, VER 1.7 dated 6/23/2008, can be found on the OCC website: [http://theocc.com/initiatives/symbology/implementation\\_plan.jsp](http://theocc.com/initiatives/symbology/implementation_plan.jsp)



## Other Related Efforts

- FIF also leads a FIF Symbology Committee. Many of the members on that committee are also part of the OSI Committee. Two topics have been discussed:
  - Use of a 9 character industry options identifier for internal and counterparty communication. Discussions have been held with CUSIP Service Bureau (CSB), Symbology Management Clearing Corporation (SMCC) and Interactive Data (IDC)
  - Best practices for client communication including both hard copy and on line display of confirms and statements



# OSI Compliant Option Identifiers

**OPTION SYMBOL**  
AAPL

- Up to 6 bytes
- Will match the underlying ticker to the greatest extent possible
- A single symbol will be used for all standard contracts delivering 100 shares with the same settlement calculation
- Contracts as a result of Corporate Actions and non standard delivery contracts will contain a trailing digit as part of the symbol, e.g. AAPL1, AAPL9

**CONTRACT DATE**  
20100619

- YYMMDD (6 byte minimum)
- Represents original contract expiration date
- Value in this field will not change over the life of the contract even if there is an acceleration in the expiration

**PUT/CALL**  
P

- 1 byte

**STRIKE PRICE**  
32.5

- up to 8 bytes
- XXXXX.XXX

- This represents the minimum data requirements in the transmission of listed option contracts between exchanges, the clearinghouse and their constituents.
- The OSI Committee recommends that each of the key data elements be placed in the logical order as described above for data transmission.
- The OSI Committee recognizes that the display of option contract information to clients and for internal use by broker/dealers, vendors etc. may vary as deemed appropriate.

# Example 1 – Listed Options Delivering 100 Shares

	TODAY	AFTER MAY 14, 2010
CONTRACT DATE	6/19/2010	6/19/2010
MATURITY DATE	6/19/2010	6/19/2010
PUT/CALL	P	P
SYMBOL	APV	AAPL
STRIKE PRICE	32.5	32.5
OPRA CODE	RZ	NO LONGER USED
STRIKE QUOTE	32 4/8	NO LONGER USED

## DEFINITIONS

CONTRACT DATE	Original contract expiration date. The value in this field remains the same through the life of the contract.
MATURITY DATE	Precise contract expiration date. In the case of an <b>acceleration</b> , this date will DIFFER from the CONTRACT DATE.

## Example 2 – Listed Option Delivering 100 Shares - Accelerated

	TODAY	AFTER MAY 14, 2010
CONTRACT DATE	6/19/2010	6/19/2010
MATURITY DATE	5/15/2010	5/15/2010
PUT/CALL	P	P
SYMBOL	APV	AAPL
STRIKE PRICE	32.5	32.5
OPRA CODE	RZ	NO LONGER USED
STRIKE QUOTE	32 4/8	NO LONGER USED

### DEFINITIONS

**CONTRACT DATE** Original contract expiration date. The value in this field remains the same through the life of the contract.

**MATURITY DATE** Precise contract expiration date. In the case of an **acceleration**, this date will DIFFER from the CONTRACT DATE.



## Example 3 – FLEX Contract

	TODAY	AFTER MAY 14, 2010
CONTRACT DATE	6/15/2010	6/15/2010
MATURITY DATE	6/15/2010	6/15/2010
PUT/CALL	P	P
SYMBOL	3APV19	3AAPL
STRIKE PRICE	32.5	32.5
OPRA CODE	RZ	NO LONGER USED
STRIKE QUOTE	32 4/8	NO LONGER USED

### DEFINITIONS

CONTRACT DATE	Original contract expiration date. The value in this field remains the same through the life of the contract.
MATURITY DATE	Precise contract expiration date. In the case of an <b>acceleration</b> , this date will DIFFER from the CONTRACT DATE.
SYMBOL	First character is numeric and represents the exercise style and settlement value method

## Example 4 – Listed Options – Non Standard Delivery (Recommendation)

	TODAY	AFTER MAY 14, 2010
CONTRACT DATE	6/19/2010	6/19/2010
MATURITY DATE	6/19/2010	6/19/2010
PUT/CALL	P	P
SYMBOL	AXO	Still to be determined - could be AXO or APPL7
STRIKE PRICE	32.5	32.5
OPRA CODE	RZ	NO LONGER USED
STRIKE QUOTE	32 4/8	NO LONGER USED

### DEFINITIONS

**CONTRACT DATE** Original contract expiration date. The value in this field remains the same through the life of the contract.

**MATURITY DATE** Precise contract expiration date. In the case of an **acceleration**, this date will DIFFER from the CONTRACT DATE.

**SYMBOL** The trailing numeric indicates this is a non standard delivery, i.e. something other than 100 shares of stock. The values of the trailing numeric can be 7,8,9,0.

# Example 5 – Corporate Action Contract

NOTE: in this example APZ represents a previously adjusted symbol in the current environment

	TODAY	AFTER MAY 14, 2010
CONTRACT DATE	6/19/2010	6/19/2010
MATURITY DATE	6/19/2010	6/19/2010
PUT/CALL	P	P
SYMBOL	APZ	AAPL1
STRIKE PRICE	32.5	32.5
OPRA CODE	RZ	NO LONGER USED
STRIKE QUOTE	32 4/8	NO LONGER USED

## DEFINITIONS

<b>CONTRACT DATE</b>	Original contract expiration date. The value in this field remains the same through the life of the contract.
<b>MATURITY DATE</b>	Precise contract expiration date. In the case of an <b>acceleration</b> , this date will DIFFER from the CONTRACT DATE.
<b>SYMBOL</b>	The trailing numeric indicates a corporate action has taken place. The values of the trailing numeric can be 1-6.



## Broker/Dealers – Internal Identification of an Option Contract – Varying Approaches

- Proprietary security masters which assign a unique identifier to each option contract. This internal identifier would be used by applications within the firm to identify an option contract.
- Use 4 data elements to identify an option contract – Symbol, Contract Date, Put/Call, Strike Price. All applications within the firm would use these 4 data elements to identify an option contract.
- Concatenation of 4 data elements into one 21/22 byte field. This would serve as the option identifier for applications within the firm.
- Some combination of the above.

*When transmitting option contract information between the clearinghouse and exchanges, the 4 data elements would be used.*



## Presentation of Option Contract Information to Broker/Dealer Clients – Varying Approaches

- Option Contract Description on Statements/Confirms - Several approaches for the “order” of the data elements
  - Call/Put, Symbol, Contract Date, Strike Price
  - Symbol, Contract Date, Call/Put, Strike Price
  - Symbol, Contract Date, Strike Price, Call/Put
  - ETC
  
- 4 Individual Data Elements on Statement/Confirms - Concatenate or display data individually



## **Presentations**

- Sungard – Frank Williams (GMI) and Susan Crozier (Phase 3)
- Townsend Analytics – Jeff Rubidge
- Broadridge – Pat Scaglione