

# Ovation Conversion Frequently Asked Questions

**OCC**

**THE FOUNDATION  
FOR SECURE  
MARKETS®**

# Ovation Conversion Frequently Asked Questions

Edition 1.0 (November 2022)

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# Ovation Overview

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This comprehensive technical launch FAQ will continue to be updated throughout the conversion from ENCORE to Ovation.

The Renaissance Initiative is a multi-year effort to comprehensively redevelop and modernize OCC's technology infrastructure, including its clearing, risk management and data management applications.

Through the Renaissance Initiative, OCC will create a robust infrastructure for its market participants by utilizing more modular technology and enhancing its use of real-time data. In addition, use of the Cloud will provide enhanced resiliency, security and scalability to OCC's systems. OCC also took the approach of adding an on-premises data center that can be used in the unlikely event of a widespread cloud service provider disruption. Given OCC's vital role in the marketplace, it is paramount that it delivers a highly resilient and reliable platform to support the markets that it serves.

Within Ovation, market participants will notice multiple operational efficiencies due to significant process reengineering and automation, such as:

- Easy and secure access with single sign-on and quicker interface navigation
- A consolidated and more transparent view of transaction information and history
- The capability to proactively monitor the settlement cycle for each collateral transaction
- Streamlined margin calculations during nightly processing
- Interacting with the system via an API
- And access to self-service reporting via export and new filtering functionalities

Read more about the highlights of OCC's technology transformation, the changes to its core services and the transition from ENCORE to Ovation [here](#). Additional rule filings are forthcoming, such as for Stock Loan. Once available, the rule filings and any advance notices can be accessed [here](#).

## Timeline

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The launch of Ovation is planned for 2025, where it will convert its core clearing, settlement and risk management processes from ENCORE to Ovation during a single processing cycle. Until that time, the current system, ENCORE, will continue to operate as it does today. In addition, OCC is moving ahead with releasing new functionality for its What-If Margining Simulation tool, which is planned to launch in 2024.

The [transformation website](#) will continue to house all the necessary resources and updates related to the launch of Ovation.

OCC's teams are committed to a seamless launch. If you have any questions, please reach out to the [Member Services](#) team. You can also contact [Ovation@theocc.com](mailto:Ovation@theocc.com).

# Testing, Certification and Training

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To ensure preparedness ahead of Ovation's launch, OCC plans to schedule external testing in 2024 and continue through 2025. Testing will be scheduled during normal business hours Monday through Friday. OCC is in the planning stages for these activities, and in the future, testing schedules along with more detailed information regarding testing activity will become available.

In preparation for external testing, OCC recently published [technical documentation and identified transmission changes](#). This update applies to OCC's DDS guides and record layouts, which now includes any changes associated with the launch of its Ovation platform. Specifically, within each of the updated guides, there is now a section titled 'What's New with the Ovation Platform,' which highlights the respective changes within each of the guides. Please be aware that some transmissions do not require any changes.

OCC will also offer two APIs for Clearing Members: What-If Margining as mentioned above and Exercise by Exception information on expiration. The API guides are also now available and provide additional details on each.

For a complete list of changes, please visit the transformation website.

## **Will I be required to test and certify? If so, what kind of testing will OCC offer?**

If you send or receive data, you will be required to participate in external testing. OCC is requiring all market participants to test regardless of any changes to your files because market participants will be connecting and receiving data from an entirely new platform for the first time. In addition, participating in testing will ensure files are able to run through normal processes without error.

As part of testing, each market participant will receive required testing activities to complete such as:

- Establishing connectivity
- Performing transactions in Ovation
- Sending and receiving test messages with new formats
- And verifying that the data processes through their system as expected

This means that each participant's testing strategy will be slightly individualized to match activities they conduct within ENCORE today and will be agreed upon by the market participant.

After OCC validates testing activities, there will be an ad-hoc testing environment available until go-live where market participants can perform additional testing activities before launch.

Prior to Ovation's implementation, OCC will also require that market participants test within a production parallel environment. Within this testing environment, market participants will be able to receive outbound DDS in parallel with ENCORE two months prior to the launch of Ovation. Production environments are required to be set up in parallel to ensure a seamless cutover for go-live. Please be aware that OCC will not receive inbound DDS in parallel during this phase.

Each of Ovation's testing environments will have the same level of support as OCC's existing daily testing environments. In addition, it will continue to support its existing ENCORE environment until the legacy system's ultimate decommission.

**Will external testing use production data?**

External testing will use data similar to production data. However, the amount of data will be less than production data.

**Are there connectivity changes for testing? If so, what kind of connectivity will be offered?**

OCC will support the same communications protocols currently supported in production for ENCORE: SFTP and MQ.

Currently, there are no changes to SFTP connectivity other than utilizing a different and separate input/output directory for Ovation. However, for those that do not currently have any connectivity established for SFPT, you will be required to establish it as connectivity setup, and validation is a pre-requisite for testing.

For MQ, market participants with existing connectivity can use their existing test MQ channels while defining new Ovation queues, or they can establish new channels and queues specific to Ovation testing. Participants that do not have testing connectivity will be required to establish it in advance of testing.

**How do I set up a new connection or channel?**

If a market participant currently has access to testing, no further action is needed. If you do not currently have access, please contact Member Services or Testing Certification to establish connectivity.

**What happens after I complete testing and certification?**

When a market participant successfully completes their required testing, OCC will update their individualized testing strategy with their testing results to deem it final. Each market participant will receive this final document to then use as part of their required attestation, meaning each market participant will attest that they have tested the system and that their users are prepared for launch.

**What will I be expected to do from a training perspective?**

Because Ovation is a new user interface, training will be provided to all market participants. This includes those who currently interact with ENCORE: Clearing Members, Trade Sources, Asset Managers and Non-Clearing Members.

OCC will provide both live training and online learning assets, on-demand videos, Quick Reference Guides and FAQs. Each of the learning assets will be available on [OCC Learning](#), which can be accessed via [MyOCC.com](http://MyOCC.com). In the future, a training schedule will be made available along with additional information.

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# Revision History

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Edition	Date	Edition Updates
1.0	11/29/2022	Initial edition