



**THE FOUNDATION  
FOR SECURE  
MARKETS**

**#45947**

**TO: ALL CLEARING MEMBERS**

**DATE: NOVEMBER 7, 2019**

**SUBJECT: \*REMINDER\***  
**ACTIONABLE IDENTIFIER – APPROVED RULE CHANGE – OCC**  
**RULE 401**

As previously stated in memo #45016, on May 6, 2019, the Securities and Exchange Commission (“SEC”) approved a change to OCC’s Rule 401 to include the requirement of an “Actionable Identifier” on all customer and firm account securities options trades, other than market-maker trades, reported to OCC.

### **Overview**

The Clearing Member Trade Assignment (“CMTA”) process at OCC allows an executing Clearing Member to send the trade directly through OCC to another Clearing Member for clearance and settlement. For some time, Clearing Members have been concerned with the risks they face in handling trades they cannot timely identify in connection with the CMTA process. Clearing Members have reached out to OCC to help them address these risks. In response to these concerns, OCC proposes to amend Rule 401 to require that an “Actionable Identifier,” be included on all customer and firm securities options trades submitted to OCC for processing, other than Market-Makers trades. OCC believes that having an Actionable Identifier on customer and firm trades (other than Market-Maker trades) will allow Clearing Members to more timely identify trades transmitted as part of a CMTA arrangement as well trades transmitted through the “give-up” process at exchanges.

Clearing Members should begin discussions with their execution firms on defining the actionable identifiers and review their trade processing systems to ensure an actionable identifier can be populated to the appropriate exchange field. The actionable identifier will be defined as a name, series of numbers or other identifying information assigned by a Clearing Member to the client account that originated the transaction. Clearing Members must also establish policies and procedures reasonably designed to include sufficient information in the Actionable Identifier field regarding the account that originated the trade.

### **Implementation Schedule**

Clearing Members must begin populating the Actionable Identifier field 13 months after SEC approval. 19 months after approval, the data must be actionable to identify clients. Listed below is the Implementation Schedule.

<b>Timeframe</b>	<b>Required Action</b>
March 20, 2019	Formal Rule Filing to amend Rule 401 to require an Actionable Identifier on trades
May 6, 2019	SEC approval
June 8, 2020	Clearing Members would be required to populate Customer ID fields with Actionable Identifiers on all customer and firm trades and should have in place policies and procedures reasonably designed to include Actionable Identifier data to allow prompt clearance of the trades. However, OCC would not treat as a violation of Rule 401 the failure of such policies and procedures to provide that sufficient information is included in the Actionable Identifier field.
December 7, 2020	<p>Clearing Members would be required to populate Customer ID fields on trades with Actionable Identifier data and the data should be actionable to identify clients. This is for all customer and firm trades other than market-maker trades.</p> <p>Clearing Members must have policies and procedures in place reasonably designed to provide that sufficient information is included in the Actionable Identifier fields to allow the receiving firm to promptly clear the trades.</p>

**Clearing Members should have already started working with their counterparties to determine the appropriate Actionable ID information that should accompany each trade.** OCC will monitor progress throughout the adoption process and will provide statistical information on executed and cleared trades (by Clearing Member number, account type, buys/sells) that do not contain information in the appropriate field. OCC has also added a new filter criteria to the Trade Inquiry screen allowing Clearing Members to identify those trades that do not contain information in the required field.

Documentation has been added to the OCC public website that contains information on Actionable Identifier including an overview, FAQs, an inbound/outbound transmission mapping table, and a link to the SEC approval. The documentation can be found at [www.theocc.com](http://www.theocc.com) under [Clearing & Services/Industry Services/Actionable ID](#).

OCC has hosted several industry calls to discuss the Actionable ID Rule and requirements and will continue to host industry calls throughout the process. Member Services Representatives are available to help Clearing Members in their progress to meet the new requirement.

If you have any questions regarding this memorandum, please contact the Member Services Help Desk at the following numbers: 800-544-6091 or 800-621-6072. Within Canada, please call 800-424-7320. Clearing members may also e-mail OCC at [memberservices@theocc.com](mailto:memberservices@theocc.com).