



NOTICE TO MEMBERS

No. 2009 – 032

March 24, 2009

Canadian Option Symbology Initiative - Update

This notice updates the information previously provided in Notice to Members 2008-159 issued on November 24, 2008.

To coincide with the Options Symbology Initiative (OSI) being implemented in the United States by the Options Clearing Corporation (OCC), a joint Bourse de Montréal Inc. (the Bourse) / Canadian Derivatives Clearing Corporation (CDCC) project was launched. The objective of this project is to simplify the symbology of exchange-listed index and equity options and support long-term growth of the options market. This initiative is a multi-phased program with conversion to the new message formats scheduled for February 12, 2010 followed by a phase of options symbol consolidations. In Canada, the first phase will be launched on March 30, 2009, when the Bourse will begin receiving and sending OSI compliant messages in addition to the current production messages.

Please note that even though this initiative directly impacts the symbology that will be used for exchange-listed equity, exchange traded funds (ETF), index, and currency options, there will also be some technical impacts on futures contracts and options on futures contracts related to shared services and common messages or fields.

Timeline

End of March 2009	CDCC to issue revised symbology-compliant file layouts for the data service files and series file
June 2009	CDCC test file support for the new symbology formats for data service files, series files and SPAN® files. Three to five days of files to be provided for testing purposes.
After implementation of SOLA® Clearing	CDCC will commence daily provision of parallel OSI-compliant data service and series files on the FTP server a few weeks after the implementation of SOLA® Clearing. (The timing will be confirmed once the SOLA® Clearing implementation date has been announced.)
Q3 2009	Support of new symbology attributes by CDCC Clearing System Reports (PDF format only.)
Q4 2009	Industry wide market testing of new symbology formats. The Bourse and CDCC will mirror US planned dates.
February 12, 2010	Industry wide, mandatory use of the OSI messaging formats. Old formats will no longer be accepted.
March 2010	Consolidation of symbols begins.

This notice outlines modifications to CDCC's services. Please refer to the Technical Notice 09-007 issued by the Bourse on March 13, 2009 for information regarding impacts and technical modifications to the Bourse's trading system.

Technical Details

The impacts on the different reports/files are described in the following table:

Reports/Files	Impacts
Data Service File	The day of the month of expiry will be inserted in each record after the expiry month (1003 will become 100320, for March 20, 2010)
Data Service File Extended	The new day of expiry field will be completed for all equity, ETF, index and currency options. This day of expiry information will be left unpopulated for futures and options on futures. One byte will be added at the beginning of the strike price field (presently 7 bytes with 3 decimal places, this will be modified to 8 bytes with 3 decimal places.)
Series Data File	
End-Of-Day Raw Data File	These files are already OSI compliant. These files are a new service that will be available with the implementation of SOLA [®] Clearing. Parallel test files are currently available on the CDCC's FTP server for several dates in 2008. The file specification document is available on request.
MZ01 Report	This report will be eliminated. Members will need to use the End-Of-Day raw data files to obtain the information. The end-of-day raw data file specification includes a file mapping for the MZ01 report to the new raw data file. The file specification document is available on request.
Options Clearing Reports	On the clearing reports, there is sufficient space to modify the derivatives instrument definition to be symbology compliant with the explicit attributes required. For example, the day of the month of expiry will be inserted in each record after the expiry month (1003 will become 100320, for March 20, 2010). The new day of expiry field will be completed for all equity, ETF, index and currency options. This day of expiry information will be left unpopulated for futures and options on futures. The options clearing reports are intended for viewing and printing. With the required conversion to the new symbology formats on February 12, 2010, the ASCII format will cease to be produced. Only the PDF format will be available. Any Clearing Members who extract data from the ASCII versions of the reports for their own processing will need to transition to the End-Of-Day raw data files to obtain the information.
SPAN [®] File	This file is currently OSI compliant with respect to all options attributes that need to be explicitly defined. Currently, for the Bourse's listed products the day of the month of expiry is not populated in the records within the file. The OSI compliant file will have this date populated for all options products directly impacted by the Symbology change. Explicit Expiration Date to the day will be populated for Equity, ETF, Index and Currency options. The day of expiry will remain unpopulated in the OSI compliant version for futures and options on futures.

Examples

For each impacted report/file, examples are shown with the differences highlighted in red. **Updated file layouts will be published by the end of March 2009.**

Data Service File (Unpacked Format)

Position record - Current

P1234569999C	ABC	10030006000P00M00000000000002020100218000000060000000CD
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Position record - New Symbology

P1234569999C	ABC	1003 200 0006000P00M00000000000002020100218000000060000000CD
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Trade record - Current

T1234569999C	8888ABC	10030006000C
2010031701M000000060000000CDSO0000000300000001500000000050000000		

Trade record - New Symbology

T1234569999C	8888ABC	1003 200 0006000C
2010031701M000000060000000CDSO0000000300000001500000000050000000		

Exercise and Assigned record - Current

EE1234569999C	8888ABC	10030006000P2010031700	CD000000030
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Exercise and Assigned record - New Symbology

EE1234569999C	8888ABC	1003 200 0006000P2010031700	CD000000030
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Data Service File Extended

Position record - Current

P1234569999C	ABC	10030006000C00M0000005000000520100218000000090000000CD
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Position record - New Symbology

P1234569999C	ABC	1003 200 0006000C00M0000005000000520100218000000090000000CD
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Trade record - Current

T12345600009999C	8888ABC	10030006000C
2010031701M000000105000000CDBO0000000400000004400000000110000000		

Trade record - New Symbology

T12345600009999C	8888ABC	1003 200 0006000C
2010031701M000000105000000CDBO0000000400000004400000000110000000		

Exercise and Assigned record - Current

EA1234569999C	8888ABC	10030005000P2010031700	CD000000020
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Exercise and Assigned record - New Symbology

EA1234569999C	8888ABC	1003 200 0005000P2010031700	CD000000020
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Series Data File - Current

E ABC	10030006000P000000999999999	ABC.A	20100320000000000000010000000000CD
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Series Data File – New Symbology

E ABC	1003 200 0006000P000000999999999	ABC.A	20100320000000000000010000000000CD
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Contact

Information sessions are being held to follow the progress of the symbology initiative. Please ensure that a representative from your firm has registered to receive communications and updates regarding this project. To register, please send an e-mail to symbology@m-x.ca indicating your contact details, company, and area of specific interest (e.g. operations/technical, front office/back office, market data, data reconciliation files, etc.).

Please contact Jim Hohn at 416-350-2841 or by e-mail jhohn@cdcc.ca, if you require assistance or any additional information regarding the content of this notice.

Alain Miquelon
Interim Executive Vice-President and Chief Clearing Officer