

# The Depository Trust Company

# **IMPORTANT**

**B#:** 3290-08

**DATE:** March 28, 2008

**TO:** All Participants

**CATEGORY:** Settlement/Underwriting

**FROM:** Project Management

**ATTENTION:** Settlement Manager/Managing Director/Cashier

**SUBJECT:** Options Symbology Initiative (OSI) & OCC  
Sub-Accounting Initiative – OCC  
Pledges & Release Requests  
October 10, 2008 Implementation Date

In Important Notice# 2816-07 dated December 24, 2007 and Important Notice# 3052-08 dated February 29, 2008, DTC outlined modifications to its Collateral Loan System resulting from the industry-wide Options Symbology Initiative (OSI). Although the Options Symbology Committee has changed the Options Symbology Initiative (OSI) implementation date from **July 31, 2009** to **February 12, 2010**, there will be **no changes** to the originally proposed dates for the OCC sub-accounting initiative.

In order to reduce each participant's time and expense with making separate file format modifications and conducting separate testing efforts for each initiative, the OCC, subject to approval by the Securities and Exchange Commission, will mandate the implementation of both the sub-accounting initiative and OSI simultaneously. The result is that participants who use DTC's Collateral Loan Program to submit pledges to the OCC will be required to implement both sub-accounting modifications and OSI modifications by **October 10, 2008**. This reflects an acceleration of the OSI modifications required for OCC pledges and DTC will support the OCC mandate by having the system ready for participants to test by **June 2008**.

The purpose of the OCC sub-accounting initiative is to eliminate the need for multiple OCC clearing member numbers which reduces operational overhead as well as financial and operational risks. Sub-accounting also allows OCC clearing members to separate retail and professional customers for purposes of reserve/PAID computations and to separate traditional and portfolio margin customers for purposes of

portfolio margining. This initiative necessitates changes to DTC Collateral Loan Pledge and Release Request records to allow members to process collateral transactions directly against these OCC sub-accounts.

Additionally, due to the change of the OSI implementation date there will be date changes for the second round of UAT testing and for the required population of the collateral type of specific deposits with the OCC Expiration Day & OCC Option Strike Price (Fractional/Decimal) fields.

The new timeline will be as follows:

### **New Proposed Timeline - OCC Pledges & Release Requests**

<b>June 2008 (No change)</b>	DTC's & OCC's test systems will be available to participants
<b>August 8, 2008 (No change)</b>	Start of migration to new record & data formats. Participants can input Pledges & Release Requests in production in either the new format or the current (old) format. Output will be available in either the new format and current (old) format
<b>October 10, 2008 (No change)</b>	Participants must fully convert to the new input & output file formats. Current (old ) formats will no longer be supported
<b>October/November 2009 (New)</b>	For the collateral type of Specific Deposits, DTC will support testing for the OCC Expiration Day & OCC Option Strike Price (Fractional/Decimal) fields
<b>February 12, 2010 (New)</b>	For the collateral type of Specific Deposits, participants must populate the OCC Expiration Day & OCC Option Strike Price (Fractional/Decimal) fields as required by OSI

Please note that DTC will issue subsequent important notices in reference to setup information for the testing process. If you have any further questions, please contact your Relationship Manager or the undersigned at (212) 855-4223 or [llepore@dtcc.com](mailto:llepore@dtcc.com). If you need any additional information on the Options Symbology Initiative (OSI), please refer to the Options Clearing Corporation's website at [www.optionsclearing.com/initiatives/symbology](http://www.optionsclearing.com/initiatives/symbology) or contact Sharon Basso at (312) 322-7620 or [sbasso@theocc.com](mailto:sbasso@theocc.com).

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