



#43162

**TO: ALL CLEARING MEMBERS**

**DATE: JUNE 4, 2018**

**SUBJECT: ACTIONABLE IDENTIFIER REQUIREMENT ON OPTION TRADES**

### **Background**

The Clearing Member Trade Assignment (“CMTA”) process facilitates the transfer of option trades/positions from one OCC Clearing Member to another in an automated, seamless fashion. CMTA trades and transfers do not require acceptance or acknowledgement from the receiving firm, which increases the timeliness and efficiency of the process. OCC Rule 403 establishes and governs the current CMTA process.

Though the CMTA process has worked well throughout the years, OCC and its Clearing Members have explored ways to make it more efficient. OCC and its Clearing Members believe that adding an “actionable identifier” to CMTA trades will help make the process more efficient. This would allow Clearing Members to more quickly determine the client accounts to which CMTA trades should be allocated in situations where it is not immediately apparent which client initiated the trades.

### **Objective**

Following numerous meetings and discussions with Clearing Members, OCC has decided that the addition of an actionable identifier on **all** customer and firm trades would be an important first step in making the process more efficient.

OCC’s Rule 401 sets forth the information required on confirmed trades reported to OCC. Working with Clearing Members, OCC has decided to seek approval to amend its rules to add a requirement that an “actionable identifier” be included in all customer and firm account trades reported to OCC. It is anticipated that this actionable identifier would assist Carrying Clearing Members in properly identifying the client accounts for CMTA trades in a timely fashion in situations where the client account is not immediately apparent. The actionable identifier would be defined as a name, series of numbers or other identifying information assigned by a Clearing Member to the client account at the Clearing Member that originated the options transaction. An actionable identifier is not required for sub-accounts or market maker accounts since there is already an identifier on the trade.

### **Next Steps**

At OCC’s Board of Directors meeting in May of 2018, OCC’s Board approved and authorized OCC staff to submit a rule filing with the SEC for SEC approval of amendments to Rule 401 to require the inclusion of an actionable identifier on all option trades reported to OCC. OCC staff is working to submit rule change materials with the SEC with a target timeframe of the 3<sup>rd</sup> Quarter of 2018. Clearing Members are asked to review their trade processing systems to ensure an actionable identifier can be added to the appropriate exchange trade field. OCC acknowledges that it may take Clearing Members some time to determine the appropriate identifier for their clients and otherwise make changes in connection with the proposed actionable identifier requirement. OCC plans to work with Clearing Members to develop a reasonable implementation plan. It is anticipated that as part of the implementation plan, OCC would monitor all

trades and would provide statistical information to clearing members regarding actionable identifier on trades.

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).