



NOTICE TO MEMBERS

No. 2008 – 159

November 24, 2008

Canadian Option Symbology Initiative

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 (the Bourse)/Canadian Derivatives Clearing Corporation (CDCC) project was launched. This project is to simplify the symbology of exchange-listed index and equity options and support long-term growth in the Options Industry. This initiative is a multi-phased program ending in the first quarter of 2010. In Canada, the first phase will be launched on January 2009, when the Bourse will begin receiving and sending OSI compliant messages in addition to the current production messages.

Timeline

Q1 2009	The Bourse de Montréal (MX) Trading System support of new symbology formats. The inputs to and outputs from the MX will support new symbology formats in an optional or nonvalidated mode.
Q2 2009	CDCC Data Service File support for the new symbology formats.
Q3 2009	CDCC Clearing System Reports support of new symbology formats.
Q4 2009	Industry wide testing of new symbology formats. Several test sessions will be held to ensure end-to-end support of the new symbology formats.
February 12, 2010	Industry wide, mandatory use of the OSI messaging format. The old formats will no longer be supported.
March 2010	Consolidation of symbols performed. The root symbols of existing option series will be consolidated under a single symbol, consistent with the underlying security.

While this is a high level timeline, additional information will be provided in the upcoming months.

Please refer to the Technical Notice 08-007 (« http://www.m-x.ca/accueil_en.php#optionsSymb ») distributed by the MX on September 11, 2008, to get the information regarding the impacts and technical details on the Montréal Exchange trading system.

Technical Details

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

Reports/Files	Impacts
DataServiceFile	Use all the 6 available characters for the root symbols.
SeriesDataFile	Use the underlying symbol for the option root symbol.
DataServiceFileExtended	The day of the month of expiry will be inserted in each record after the expiry month (0810 will become 081017, for October 17, 2008)
EndOfDayFile	Use the underlying symbol for the option root symbol. The tag 6179 (Class) will be equivalent to the tag 311 (Underlying).
MZ01 Report	This report will be eliminated. Members will need to use the EndOfDayFile to obtain the information.
Options Reports	Use all the 6 available characters for the root symbols. Use the underlying symbol for the option root symbol. The day of the month of expiry will be inserted in each record after the expiry month (0810 will become 081017, for October 17, 2008). The ASCII format will no longer be produced. Only the PDF format will be available. The following report will be impacted: MD01 – Options Unsettled Delivery Report MP01 – Options Open Positions MP02 – Sub-Account Options Open Positions MP11 – Expired Options Positions MP12 – Expired Futures Options Positions MR05 – Converge Position Limits Usage MS08 – Daily Margin Positions Report MT01 – Options Daily Transactions MT02 – Options Exercise and Assignment MT03 – List of Options/Cash Adjustments MT05 – Options Consolidated Activity Report MT06 – Options Sub-Acct. Consolidated Activity MT10 – Unconfirmed Items Report MT29 – Trades rejection Modification Report MT92 – Options and Futures Exercise & Assignment Report MW01 – Converge – Trade Confirmation Details MX01 – Options Expiry Report MX02 – List of Expiry Adjustments MX03 – Expiry Difference Report MX11 – Futures Options Expiry Report MX12 – Futures Options Expiry Adjustments MX13 – Futures Options Expiry Difference Report

Examples

For each impacted report/file, examples are shown with the differences highlighted in red.

DataServiceFile

Old symbology

Position record

P1234560003C	BBD	08100032000P00M00000000000000520080917000000082000000CD
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Trade record

T1234560003C	0061BBD	09030010000C2008092501M0000000085000000CDB
000000010000000008500000000085000000		

Exercise and Assigned record

EA1234560003C	0041BBD	08100005000P2008092500	CD0000000005
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New symbology

Position record

P1234560003C	BBD.B	081017	0032000P00M00000000000000520080917000000082000000CD
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Trade record

T1234560003C	0061BBD.B	090320	0010000C2008092501M000000085000000CDB
0000000100000000850000000085000000			

Exercise and Assigned record

EA1234560003C	0041BBD.B	081017	0005000P2008092500	CD000000005
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SeriesDataFile

Old symbology

E	VBB	11010005000C000000097751200	BBD.B	20110122000000000000010000000000CD
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New symbology

E	BBD.B	110121	0005000C000000097751200	BBD.B	20110122000000000000010000000000CD
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DataServiceFileExtended

Old symbology

Position record

P1234560003C	BBD	08100032000P00M00000000000000520080917000000082000000CD
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Trade record

T21056100000003MJJ	0081BBD	08080007500C2008081501M000000006000000CDSO0000000100000000100000000010000000
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Exercise and Assigned record

EA1234560003C	0041BBD	0810005000P2008092500	CD000000005
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New symbology

Position record

P1234560002C	BBD.B	081017	0032000P00M00000000000000520080917000000082000000CD
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Trade record

T21056100000002MJJ	0081BBD.B	080815	0007500C2008081501M000000006000000CDSO0000000100000000100000000010000000
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Exercise and Assigned record

EA1234560009C	0041BBD.B	081017	0005000P2008092500	CD000000005
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Options Reports

Old symbology

BBD	JA 09	31 C
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New symbology

BBD.B	09JA17	31 C
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EndOfDayFile

Old symbology

6146=VBB11JA22C6;953=VBB JA 11 6 C;

New symbology

6146= BBD . B 11JA22C6;953= BBD . B 11JA21 6 C;

Contact

A working group has been created to follow the progress of the symbology initiative. Please ensure that a representative from your firm has registered to this working group. To register, please call 1-877-588-8489 or send an e-mail to symbology@m-x.ca .

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

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Senior Vice-President and Chief Clearing Officer