Large Options Positions Reporting (LOPR)
Frequently Asked Questions (FAQs)

Version 1.6
June 2020

Revision History

Version	Date	Author	Version Updates
1.3	10/4/2013	OCC	Added Revision History. Revised answer to question 13. Added questions 62 through 70.
1.4	November 2016	FINRA	Added additional questions Updated some previous answers
1.5	07/22/2018	OCC	• Updated OCC logo on front page. • Added footers • No content changes.
1.6	06/02/2020	OCC	Changed submission deadline from 8:00 to 9:00 p.m. CT

Frequently Asked Questions and Answers

Q1: What is the current cutoff time to submit a LOPR?

A: 9:00 p.m. CT on T+1.

Q2: Will users be able to mend or repair LOPR Rejects on the OCC platform or will firms be required to resubmit in the next day's file?

A: Submit in next day's file.

Q3: Current industry practice is generally to report end of day positions to LOPR. Will this change in the new reporting structure?

A: This will not change for listed options. The requirement remains the same for OTC options. Intraday and End of Day positions are reported for OTC options.

Q4: Perhaps the feasibility of combining or integrating the processes for reporting LOPR and delta-hedge exceptions should be considered? For firms that use delta hedging exception, will (or should) the new LOPR provide the ability to include the delta-hedge information, or an indicator that the reported option position was delta-hedged?

A: The ability to include Delta Hedge information is not included.

Q5: What is meant by "predefined validations" within the context of Data validation/Record processing? Depending on the complexity of the validations this may have an impact on firm's processes, including changes in the time we submit to ensure enough time is available to correct, manual support and intervention to review errors and changes in current process and procedures.

A: OCC will be validating the data received from the firms. LOPR submissions that fail validation by OCC will be returned to the submitting firm as a Rejected LOPR Submission. Firms receive their Rejected LOPR Submissions in a FIXML file and will be available in a print image report. The individual reject contains the reason(s) for rejection. Firms have an opportunity to resubmit their Rejected LOPR Submissions the following business day, as long as the T-Plus period is not exceeded.

Q6: How many digits are to be used for the OCC Clearing Member Number?

A: As with all data sent to OCC, the user must use the standard five (5) digit Clearing Member Number. Leading zeros will likely be necessary.

Examples of valid OCC Clearing Member numbers include 00005, 00015 and 00443.

Q7: Is there existing guidance or will they issue guidance on what types of futures will be acceptable hedges and how to report them as hedges?

A: It is not OCC's intention to codify rules within the LOPR User Guide and the OCC will not validate the appropriateness of a hedge record submission. Please refer to SRO rules for specific guidance.

Q8: Is there a maximum length for a FIXML message?

A: No.

Q9: Is there any data that has a maximum field size/length? (Updated October 2016)

A: See the OCC LOPR Reference Guide for Firms

Q10: What is the full list of valid codes for Security Type and Security Sub type?

A: For LOPR purposes:

The Security Type values used are:

- **OPT**
- **WAR**
- **CS**
- **FUT**

The Security Subtype values used are

- **ETO**
- **OTC**

Other values used for Security Subtype are agreed upon by the parties involved. We only need to further define an Option as Exchange Traded or Over the Counter.

Q11: Some dates have sample data with dashes and others do not. Can we take it that the sample data shows the correct format?

A: Yes. The Clearing Business Date and Effective Date use dashes, while Maturity Month Year does not use dashes.

- **Clearing Business Date (tag 715) YYYY-MM-DD**
- **Maturity Month Year (tag 200) YYYYMMDD**
- **Effective Date for Position (tag 976) YYYY-MM-DD**

Q12: Position Account Number (tag 448), does this represent our aggregation unit? How is it populated?

A: Tag 448 when used with Role=38 is the aggregation unit.

Q13: Do we want to take the first 30 characters as the name (name1), or do we take name1 through name5?

A: As of June 14, 2013, the Account Name field can hold up to 180 characters. Anything greater causes the LOPR to reject the submission.

Q14: Do we want to take the first 30 characters as the street (street1) or do we take street1 through street5?

A: Street Address can hold up to 100 characters. Anything greater causes the LOPR to reject the submission. Separate, individual fields must be used for City, for State and for Postal Code.

Note: State <u>is</u> required if the Country Code provided is US. If the Country Code is not the US, State may not be applicable for other countries and thus is not required.

Q15: Does the Tax number need to be formatted with dashes on the 4th and 7th digits?

A: No dashes are required.

Q16: If numeric data is zero do we include it in the XML message?

A: The firms must report the long, short and covered quantities (if an option) even if zero. The only other Qty field is the Underlying Qty for OTC options and it must never equal zero.

Q17: Will you send the reason for rejection in the XML format data?

A: Yes, tag 1328 Reject Text is included on the PosMntRpt (reject messages) explaining why the submission rejected.

Q18: Can an account belong to more than one In Concert group ID?

A: No.

Q19: Does the In Concert transmission need to be generated daily? **(Updated October 2016)**

A: No, firms must have a reasonable process to identify and report accounts as acting in concert. Updates to the In Concert groups may be submitted as frequently as daily.

Q20: Request ID field –do we need to have a unique ID (the ID changes for each firm every time we send) or does each firm need a set unique ID that we would send each time we submit?

A: The Request ID should be unique per file, regardless of the firm ID. The Request ID is for the benefit of the submitting firm.

Example: If the submitting firm submits 500 LOPRs to OCC and the Request Ids are 00115 – 00614 and 3 of 500 reject, OCC sends 3 reject records back to the submitting firm. Each of the 3 rejects includes the respective Request Ids so the submitting firm knows exactly which 3 of the original 500 rejected.

Q21: Is the reporting of positions changing?

A: Yes. Instead of long, short uncovered and short covered, you will now report long, total short and total covered quantity (a subset of the total short position).

Q22: Is there any change to the reporting of positions on Friday prior to Expiration? (Updated October 2016)

A: No. All positions effective as of the end of the day on Friday must be reported to LOPR. See Question #46

Q23: What effective date do we use for as of or CMTA'd trades?

A: Use the date the position was acquired by the customer (the trade date). In some instances you should use the date the position was transferred into your firm (the date the position was effectively held by a customer at your firm). The transfer date, as opposed to the date the position was acquired by the customer, should only be used if the position was held at another firm for a period of time and thus was reported to LOPR under a different Clearing Member.

Q24: Is there anything to do if a previously reported position falls below the reportable limit? (Updated October 2016)

A: Members must report any account or accounts acting "In Concert" that hold over 200 contracts on either the long call/short put (bullish) or the short call/long put (bearish) side of the market. A member must report every subsequent change in the account's end of day (exchange traded & OTC) or intraday (OTC) positions. If an account drops below 200 contracts, the member must report the first time that the account falls below the reporting threshold and then may stop reporting for as long as the position does not exceed 200 contracts.

Firms may continue to maintain positions previously reported, until the position is expired or closed. If a firm chooses to continue reporting positions below 200 contracts, when the position is closed, the firm must submit a delete record, indicating the position in that series has been closed.

Q25: Is there a way for me to know if my records are being processed correctly by the OCC? (Updated October 2016)

A: The firms (or their designated reporting service) receive all LOPR records rejected by the OCC via a FIXML transmission or print image report. Additionally, In Concert records rejected by the OCC are available via a print image report. The OCC offers Firms the ability to receive a daily snapshot of their current LOPR records via a FIXML file.

Q26: The product being reported dictates whether or not a tag/field is used. For example, if the product being reported is not for Hedge purposes, then the hedge instrument block will not be used. How can this requirement actually be monitored? What if a firm doesn't indicate that the product is being reported for hedge purposes? What dictates that a product is being reported for hedge purposes? How was this handled in the past?

A: In today's world only equities are used as a hedge and separate record types are used to report a hedge on an OTC or hedge on a listed option. The Hedge Instrument block is used to report your equities or futures used as a hedge.

Use of the HedgeInst block dictates that a product is being reported for hedge purposes. The option being hedged will be provided in the Instrument block of the same submission reporting the position in the hedge instrument.

The actual *monitoring* of whether you do report or do not report a position used as a hedge is done by the SROs that receive the LOPRs from OCC.

Q27: Is In Concert data relevant for OTC trades/the OTC market?

A: Yes.

Q28: If the OTC option series expiration date for a submitted LOPR is greater than the T-Plus quantity, OCC rejects the LOPR - Since the expiry date of an option underlying is after the report date + 5 or 10 days (which it nearly always will be), will the record be rejected?

A: This is actually five (5) days in the past, not the future. You cannot submit a LOPR on an option that has expired more than 5 days in the past.

Q29: What is a position account number? Should we always default to AGGU?

A: The Aggregation Unit is used to distinguish between approved aggregation units for position limit purposes. If your firm does not have any, then nothing should be reported.

Q30: Do the rules for reporting Intraday positions remain the same such as only send an intraday if it is bigger than the final position? "The submitting firm must include the intraday long and short quantity for each LOPR submission on OTC options".

A: The rule to report Intraday quantities on OTCs if bigger than the final position still applies, but we are now requiring that Intraday quantities be supplied on every OTC option. Zero (0) is considered a valid value for Intraday quantities.

Q31: For each position (at a series level) do we need to send two (2) Add messages, one for the firm side and one for the client side?

A. Yes. The firm position and the client positions are held separately and should be reported separately.

Q32: "Contract quantity (Share Quantity if Hedge Equity)" what does this mean?

A. If reporting:

- **an options position then the number of contracts**
- **an equity hedge then the number of shares**

Q33: Where can we get the number of contracts to correctly submit our LOPRs? Number of options/contract size? Where do we get the contract size from?

A: OCC provides contract size on a nightly basis for listed options. OTCs must be obtained from your internal sources.

Q34: When should the correction text be populated? Only when a position is being closed because it was an error e.g. post report date amendments and rejections?

A: This is correct.

Q35: Should the correction text be populated with default values or free text that the users enter?

A: There was a discussion of a list of suggested values, but one has not been created. For now use as free text to indicate what the error was.

Q36: Are there any limits on the number of digits a value can be or the number of decimal places it is allowed? (Updated October 2016)

A: There is no global answer to the "number of digits". Strike price is the only field where decimal places are applicable. See the OCC LOPR Reference Guide for Firms

Q37: All final positions on a delete message must be zero – is it valid to have Intraday position values on a delete?

A: No. Do not include the Intraday position on a delete of an OTC option.

Q38: Page 8 of LOPR reference guide for firms – "Firms will have the opportunity to resubmit their rejected LOPR submissions the following business day as long as T-plus period is not exceeded" – how long is the T-Plus period (5 days?) and what happens if this period is exceeded? (Updated October 2016)

A: The T-plus period is five (5) days. If the firm exceeds the T-Plus period, the LOPR will be rejected. See FAQ 63 below if this situation occurs.

Q39: Is the following correct? ReqID - "Unique identifier supplied by submitter" – must be unique just on today's report not unique between reports.

A: Correct. On a given day the ReqID must be unique. On a future file, you may re-use that ReqID. The ReqID is intended to be used as a reference for the firm when they receive Rejected LOPRs. OCC will pass through this ReqID to the firm as RptID and you can track to the original LOPR submitted.

Q40: When do firms need to contact their SRO when availing themselves of the option to purge all OCC LOPR data?

A: Firms requesting a refresh should do so in writing (email) to their SRO and cc: the OCC, requesting the authorization. Firms should provide contact information (name, email address, phone) and, the date(s) of the refresh. The SRO then replies to all to give the approval.

Q41: Is it OK for a firm to submit LOPR data for Listed Options and a service bureau submit OTC Options for the same firm?

A: Yes.

Q42: Is it OK for a firm to submit LOPR In Concert information for Listed Options and a service bureau submit OTC In Concert information for the same firm?

A: Yes.

Q43: How frequently should firms submit In Concert information? Monthly? (Updated October 2016)

A: See Question #19

Q44: Is an Intraday position for OTC options required if there is no end of day position?

A: An intraday position is required if the position was not previously reported. If a firm enters into a reportable OTC position and closes it out the same day, an ADD should be sent to OCC with zero values for the end of day quantities, but the intraday quantity(s) reflecting that intraday position should be sent. OCC will pass this LOPR to the SRO snapshot that evening and purge it after one day. No subsequent delete will be needed.

If the position previously existed and the position is being closed out, no intraday position should be reported. A DEL record should be sent with the end of day quantities equal to zero. No intraday quantities are necessary.

Q45: If we send an In Concert Group that contains three (3) accounts do we have to report those same three accounts separately with their corresponding positions on LOPR?

A: If the positions are already reported to the LOPR and you are just adding the aggregation of accounts for In Concert purposes then you would transmit an In Concert Group Submission, there would be no need to re-report the existing positions. However, if the positions are not already reported, then you would have to submit both the Large Options Position Report Submission and the In Concert Group Submission.

Q46: How are Currency and Index Warrants reported? (Updated October 2016)

A: There are no reportable listed Currency or Index warrants at this time for any of the exchanges. Exchanges will publicize the listing of any new warrants.

Q47: Is there a standard FIX header and trailer that we should be using? (Updated October 2016)

A: Yes. See the OCC LOPR Reference Guide for Firms

Q48: How should firms handle accounts that should occur in multiple In Concert groups at the same firm?

A: Although accounts cannot currently be included in multiple In Concert groups, firms should have a reasonable process to identify these accounts and include them in the larger In Concert group by contract volume.

Q49: Should positions in weekly options be reported for effective dates equal to the expiration date of the option?

A: Yes. The firm should report the final positions held to the LOPR for the effective date equal to the expiration date of weekly options.

Example: If you establish or modify a position on Friday in a weekly option, the position as of the end of the day that will be subject to exercise or assignment needs to be reported to the LOPR.

Q50: How should firms determine the appropriate Intraday Short and Intraday Short Covered Quantities to report if the short position and/or hedge changes during the day (OTC Options only)?

A: The Intraday Short Covered Position should indicate the smallest short covered position held during the day, while the Intraday Short position should indicate the largest short position held during the day.

Q51: Who is responsible for reporting In Concert for members who clear positions for other broker-dealers?

A: For firms who clear positions of other broker-dealers on a fully disclosed basis, both members must have their own reasonable process to identify and report accounts that are acting In Concert. If positions are reported to the clearing firm on an omnibus basis, only the member reporting the individual accounts to the LOPR must have a reasonable process to identify and report accounts that are acting In Concert.

Q52: Do proprietary positions need to be reported to the LOPR?

A: Unless otherwise required, for firm proprietary accounts, only the firm's hedge instruments position need be reported. However, broker-dealer positions for firms other than that of the OCC member clearing firm, including those positions cleared in the firm range at the OCC (usually as the result of a JBO), must be reported to the LOPR.

Q53: What account type do I use for reporting positions to the LOPR?

A: Positions must be reported to the LOPR with the same Account Type as where the position resides at the OCC. This includes any positions held by non-member affiliates as well as any positions for broker-dealer customers of the clearing firm.

Q54: Can I clear trades through one Clearing Member number and report positions to a different Clearing Member number for margining or other purposes?

A: No. Positions must be reported to the LOPR in the same Clearing Member number as where the position resides at the OCC.

Q55: Firm ABCD has one customer with reportable option positions in two separate internal clearing firm numbers (i.e. 0999 and 0998 – both ABCD clearing numbers). This customer also holds stock and/or options that would cover both option positions, but the hedging positions are held in only one clearing firm number. Would all option positions at both clearing firm numbers be reported as covered, or just the clearing firm number that holds the hedging positions? (Updated October 2016)

A: No. Only the clearing firm where the hedging records are held can the option position be considered covered. In other words, the option and hedging stock and/or option positions must be in the same account at the same firm for an option position to be considered covered. See the applicable SRO rule for the definition of what positions can be considered as "covered" (e.g. FINRA Rule 2360(b)(10)).

Q56: If a customer is long enough stock to cover only a portion of their option position, how should this be allocated? Is there a preferred method of allocating the covered quantity to the short option positions (e.g. split the covered quantities proportionally between the short positions or report the covered quantity on the largest short option position)?

A: There is no preferred method, but the method used must be consistent and covered in your written supervisory procedures.

Q57: In the case where there is a change in the "covered quantity" of a reportable position, but no change to the option position itself, does a modification record need be sent?

A: Yes. Firms are expected to submit a modify record to update the covered quantity, as needed.

Q58: When do proprietary positions need to be reported to the LOPR? (Updated October 2016)

A: By rule, firms are required to report their proprietary option positions; however, the Exchanges and FINRA have granted an exemption for the reporting of proprietary listed option positions, except in the following cases:

- **The firm is not self-clearing and the positions are reported to their clearing firm on an omnibus basis.**
- **The positions are for that of a foreign affiliate that does not have a subordination agreement and/or the positions are cleared in the customer range at the OCC.**
- **Other instances where an SRO has directed a firm to report these positions to the LOPR.**
- **The firm has agreed to report their positions as a condition of a disaggregation approval.**
- **The firm clears trades for other broker dealers in the firm range at the OCC (usually through a JBO arrangement). In these cases, if the firm holds its own proprietary positions in the same clearing number at the OCC as their customer broker-dealers, these positions would also need to be reported to the LOPR.**
- **An error account which is held in the customer account range at the OCC.**

Q59: How does a firm report their position when it falls below the 200 contract reporting threshold?

A: In accordance with previous notices, the LOPR User's guide and LOPR FAQ Q24 (above).

Example of the records that must be sent in these scenarios:

- Positions for 100 and 150 contracts in series A and B respectively for the same account (or accounts acting in concert), the same underlying and the same side of the market are reported to the LOPR.
- If the position in series B is reduced to 99 contracts, making the aggregate position on that side of the market in this underlying for this account (or accounts acting in concert) 199 contracts, the firm must submit a Modify record to the OCC to reflect the change in the position for series B to 99 contracts. This position must remain effective for at least one day. No subsequent position report is required until this account (or accounts acting in concert) again exceeds the 200 contract reporting threshold for the same underlying and side of the market.

Q60: How should firms account for equity options that, when issued, do not deliver 100 shares of the underlying for products such as mini and/or jumbo options?

A: The SROs' position reporting rules apply to all equity options issued by the OCC, including, but not limited to, standard, weekly, quarterly, mini and jumbo options. Firms should identify the number of aggregate contracts based on the number of shares deliverable when the contract was issued. For example, mini contracts that deliver 10 shares per contract count as .1 contracts toward the reporting threshold and position limit. Likewise, jumbo contracts that deliver 1,000 shares per contract count as 10 contracts toward the reporting threshold and position limit.

Note: This does not apply to adjusted series. Contracts that deliver 100 shares per contract when issued will always be considered as one (1) contract toward the reporting and position limit, regardless of any corporate action, including splits or reverse splits.

Q61: Do firms need to report JBO positions to the LOPR?

A: Yes. As these accounts are considered customers of the clearing firms and the clearing firms have these positions on their books, they are required to report these positions to the LOPR, regardless of the Account Type in which they reside at the OCC. It is also the responsibility of the non-self-clearing broker dealers to ensure that their positions are being reported to the LOPR.

Q62: What records must a firm submit when attempting to report a position for an earlier effective date than the earliest effective date for a previously reported record with the same Unique Record ID? (Updated October 2016)

A: When attempting to submit a position with an Effective Date earlier than the earliest Effective Date for the same Unique Record ID, the OCC's current process requires the submission of a Delete record on day one and an Add record on day two with the correct Effective Date. Firms should populate the Correction Text field when using a Delete record for purposes other than reporting that a position has been closed. If the position on subsequent days is different than the newly reported position, additional Modify records may also be sent on day two. However, please note that the OCC will not allow a modify or delete record with an effective date earlier that the effective date for the most recent record with the same unique ID.

Example: Customer A reports 500 contracts with an effective date of 7/28, as an Add. On 7/30, the firm identifies an error in their system, which indicates the transaction originally reported effective on 7/28 was actually effective on 7/27.

In this case, the firm would need to submit the following positions records: on day one (7/30) the Firm needs to send a Delete record with an Effective Date of 7/28. On day two (7/31), the firm needs to submit an Add record for 500 contracts with an Effective Date of 7/27.

Q63: How does a firm report a position if the effective date is outside the five day window? (Updated October 2016)

A: A position cannot be reported with a correct effective date if the effective date is outside the five day window. If this situation occurs, the firm should report the current position. If the issue affected a large amount of records, the Firm should provide written notification to their allocated SRO as soon as possible as to why the positions were not reported within the five day window. This notification should also include: 1) the record(s) corrected and 2) the original effective date of the record(s).

Q64: Do firms need to consider historical In Concert relationships when reporting positions with prior effective dates?

A: It is not unreasonable to rely on the current In Concert relationships when reporting these positions to the LOPR. While the historical positions for each account should be reported, only the current In Concert relationships need to be applied and included in the In Concert file submission to the OCC.

Q65: Do firms need to consider historical account information (e.g. Address) when reporting positions with prior effective dates?

A: No, the firms may use the current account information when reporting these positions to the LOPR.

Q66: Do firms need to review historical covered or hedge positions reported to the LOPR for underlying trades that clear with an earlier effective date?

A: No, for underlying trades that may impact the covered quantity or hedge positions of records reported to the LOPR for prior effective dates, it is not unreasonable to only modify the current option covered quantity or hedge record.

Q67: How should Firms report exercises/assignments that occur prior to expiration?

A: For the final day of trading in an option series, see Questions # 22 and 49. . For days other than the final day of trading prior to expiration, exercises or assignments from the OCC may reduce positions previously reported to the LOPR. In this case, the Modify record submitted to reflect this change should contain the date on which the exercise or assignment occurred at the OCC as the Effective Date of the updated position record.

Q68: What are the reporting requirements for OTC options effected by a firm's foreign affiliate?

A: Positions eligible for LOPR include any aggregate OTC positions of 200 or more options contracts maintained on the US broker-dealer's books or where the trade was effected with or for the benefit of a US counterparty by the US broker-dealer, including trades executed or intermediated by the US broker-dealer under SEC registration exemptions 15a-6(a)(3) and 15a-6(a)(4). These requirements apply to conventional options based on foreign and domestic equity securities as well as conventional index options based on an index that underlies, or are substantially similar to an index that underlies, a standardized index option.

Q69: What address should the firm use for reporting positions to the LOPR; mailing, domicile, tax, or registration address?

A: Positions should be reported with the address where the account is domiciled.

Q70: What should be reported in the Tax Number field for foreign accounts that do not have a tax ID or where the tax ID is not known, including US based accounts that trade solely for foreign accounts? (Updated October 2016)

A: Firms should populate Tax Number with all nines (“999999999”) for foreign accounts where the Tax ID is not known. These accounts should be designated with the foreign tax ID “J” code in the “Tax Number Type” field. If the Firm has the Tax ID of an account, whether the account or Tax ID is foreign or domestic, the Tax ID should be reported.

Q71: Can you modify or delete a position effective earlier than the most recent effective date for that record?

A: No, firms can only modify or delete a position effective as early as the most recent effective date for that unique record.