IMPORTANT NOTICE

Date: May 22, 2002

From: Intermarket Surveillance Group (ISG)
       American Stock Exchange, L.L.C. (AMEX)
       Chicago Mercantile Exchange Inc. (CME)
       Island Futures Exchange, L.L.C. (IFX)
       Nasdaq Liffe Markets, L.L.C. (NQLX)
       OneChicago, L.L.C. (ONE)
       Philadelphia Stock Exchange (PHLX)

To: Members and Member Organizations

Re: Large Trader Reporting System for Security Futures Products

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Introduction

The exchanges and the Commodity Futures Trading Commission ("CFTC"), pursuant to Part 17 of the CFTC regulations, have adopted a Large Trader Reporting System ("LTRS") for Single Stock Futures (SSF), as well as all other Security Futures Products (SFP). There are two (2) components to the LTRS. The first requires that the positions of all accounts at, or in excess of, the reportable level be submitted daily. The second requirement is that a CFTC Form 102 (Identification of "Special Accounts") be completed and submitted to the CFTC as well as to the exchange where the reportable position is held, when an account first becomes reportable.

Large Trader Position Reporting Requirements

Who Must Report

Exchange clearing members, futures commission merchants (FCMs), broker-dealers, and foreign brokers (collectively called "reporting firms") are required to report position information on behalf of those accounts carried on their books that meet the reportable level. Although reporting firms have a regulatory obligation to file large trader data with the CFTC, that obligation can be met by filing the data through a third party as described below.

Reportable Accounts

Any futures or securities account, including customer, member and proprietary, that meets the reportable level. Each account that has been in reportable status must also be reported on the first day that it falls below the reportable level.

Reportable Level

For all SFPs, the ISG and the exchanges have set the reportable level at 200 contracts on either side of the market in a single expiration/contract month[1]. Once the 200-contract threshold level is met in any one expiration/contract month, all other positions in the same product in other expiration/contract months on the same exchange must be reported. In circumstances where positions are carried in a fungible product, traded at multiple exchanges, and based on the same underlying security, all positions in those fungible products shall be summed to determine whether the account is reportable. Following are examples of when a report must be filed:

Aggregated Accounts

For purposes of determining whether a large trader meets the 200-contract reporting threshold, reporting firms must aggregate accounts with common ownership and/or trading control and report the positions under one (1) reporting account number. (See CFTC Reg. 17.00(b) for the rules on aggregating accounts for reporting purposes and see "File Description" under the LOPR format in Attachment 1 to determine how to report the components of a reportable position.)

Example #1: An account establishes a position of 200 IBM June SSF contracts on the AMEX and maintains positions of 50 IBM July and 100 IBM Sept SSFs contract listed on the AMEX. The threshold level of 200 contracts is met in the IBM June SSF so the entire position of 350 contracts must be reported.

Example #2: An account establishes a position of 150 IBM June SSF contracts on the NQLX and a position of 100 IBM June SSF contracts on the AMEX. The contracts are not fungible; therefore, no report is required.

Example #3: An account establishes a position of 150 GE June SSF contracts through the ONE and 100 contracts in the same fungible contracts through the AMEX. The fungible position exceeds the threshold level of 200 contracts so the account's entire position of 250 contracts must be reported.

Methods of Reporting

Position information for all reportable member and customer accounts must be filed in electronic format either directly to the Securities Industry Automation Corporation ("SIAC") or to the Chicago Mercantile Exchange ("CME"). Although the CFTC requires reporting firms to supply large trader

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[1] The CFTC has set a higher reportable level for SSFs, but will accept data at the lower level adopted by the ISG.

data on accounts that clear in the Market-Maker or Firm range at the Options Clearing Corporation ("OCC"), the OCC has agreed to submit position data directly to the CFTC and to the SROs on behalf of reporting firms with these accounts.

The data must be submitted to SIAC and CME by 8:00 a.m. Eastern Time (7:00 a.m. Central Time) to ensure sufficient time for that data to be submitted to the CFTC by 9:00 a.m. Central Time on the day following the "as of" date.

The ISG has developed a varied reporting scheme to accommodate the universe of entities that are required to report as well as to streamline the process of providing large trader data to the CFTC and SROs. Within this universe there are three (3) identifiable groups required to report. Reporting firms should identify which group applies and follow the procedures outlined within this memorandum.

Group 1

CME and CBOT clearing members, non-clearing FCMs, and foreign brokers accessing ONE through the CME Clearing House.

This group will report SSF positions to the CME at the same time and in the same manner that they do for CME futures and option contracts. CME will collect this data and provide a file to SIAC. SIAC will consolidate the Group 1 data with Group 2 data and report the consolidated information to the CFTC. SIAC will also transmit the consolidated data to the appropriate SROs.

Group 2

OCC clearing members and other non-OCC member firms clearing through an OCC member. This category is responsible for reporting positions for accounts that clear in the customer range at the OCC.

SIAC will provide a facility for firms to transmit large trader data for SSFs to SIAC. SIAC has developed two (2) file layouts for collecting such data. One is a modified version of the Large Options Position Report ("LOPR"); the second is patterned after the CFTC Large Trader format. Reporting firms in this category may choose to submit large trader data to SIAC in either format.
The modified LOPR format and the CFTC format are described in attachments 1 and 2 to this document. In addition, a PC-based system is being developed to provide a reporting alternative for firms to report data over the internet.

Firms that wish to utilize this method of reporting must first contact SIAC's PC Service center at 212-383-2062.

Group 3

Individual market-maker and clearing firm accounts that clear directly (fully disclosed) at OCC.

Accounts in this category are not required to actively transmit large trader data. Rather, the OCC will function as a "service bureau" for this group by transmitting their position data directly to the CFTC and the SROs.

CFTC Form 102 – Reportable Account Identification

CFTC regulations require that an account identification ("Form 102") must be filed with the CFTC to identify each reportable account (see attachment 3). The form generally must be submitted within three (3) business days of the account first establishing a reportable position. Completed CFTC Form 102s must be filed directly with the CFTC with a copy sent to the exchange at which the reportable position exists.

If an account for which a CFTC Form 102 has already been filed, (as a result of becoming reportable at a particular exchange) becomes reportable in products carried at a different exchange, the firm carrying the position need not file a new form with the CFTC, but must file a copy of the previously filed form with the exchange on which the newly reportable position exists.

With regard to customer accounts, either the member firm or the firm carrying the account at the OCC or CME Clearing House is responsible for obtaining information from the customer necessary to complete the form. Whether the member firm or carrying firm is ultimately responsible for providing a copy of the 102 Form to the exchange depends on the agreement between the member firm and carrying firm as well as the rules of the exchange on which the reportable position exists.

With regard to OCC Clearing Member and Market-Maker accounts, the clearing firm maintaining the reportable position will be required to complete a CFTC Form 102 as detailed below. Although the clearing firms' requirement to report their positions will be handled by OCC as described above, they are directly responsible for ensuring that Form 102s are filed. Clearing members may choose to facilitate this process on behalf of those market-maker accounts that they clear.

If and when the information required in a previously submitted CFTC Form 102 changes, and the reportable trader in question continues to hold (or has established new) reportable positions, the firm carrying the positions has the responsibility to file an updated CFTC Form 102 with the CFTC and the SRO(s). Also, the reporting firm must file an updated Form 102 upon request of the CFTC (and/or an SRO).

Attachment 3 is a copy of the Form 102

Conclusion

Reporting firms should become familiar with the LTRS and establish procedures for the timely and accurate filing of position information. This system is mandated by the CFTC and essential to the market centers in carrying out their self-regulatory functions. In addition, reporting firms are obligated to ensure that their submission of large trader data is complete and accurate at all times. In the event that a firm transmits inaccurate or incomplete data, they will be contacted by an exchange SRO (or in certain cases by the CFTC or SIAC) and instructed to immediately send corrected data. <u>Failure to provide accurate large trader data, or corrections to erroneous data, may result in the consideration that the offending firm has violated exchange rules, CFTC regulations, or both.</u>

Exchange Regulatory Contacts

AMEX: James Alaimo: 212-306-1540; or, Gary Grey: 212-306-1546

IFX: Chris Concannon: 212-231-5009

NQLX: Kathleen Hamm: 212-482-3000

ONE: Eric Wolff: 312-930-3255
Pat Cerny: 312-786-7722

Contacts for Systems Related Issues

SIAC: Mark Salem: 212-383-8327; or, Neal Feder: 212-383-2003

CME: Ray Menghi: 312-648-3661

CFTC Contacts

David Kass: 312-596-0608

Gary Martinaitis: 202-418-5209

Attachment 1

ISG LARGE TRADER POSITION REPORTING SYSTEM

FOR SINGLE STOCK FUTURES

INPUT MODIFIED LOPR FILE LAYOUT

V1.4

April 12, 2002

FILE DESCRIPTION

The ISG Large Trader Position Reporting System for Single Stock Futures (LTPR-SSF) will accept a modified Large Option Reporting System (LOPR) formatted file for submitting Large Trader position reports. The file will contain a (Datatrak) header record followed by any number of account/position records followed by a single trailer record. An account's reportable position(s) for a given date is reported by a series of up to 5 records that define the account followed by all position records. Service bureaus may report multiple firms in a single file.

Firms should report the details for each account that makes up a reportable position. Reportable positions are determined by summarizing positions in each account that has been assigned a given CFTC account identifier at a given firm. The LTPR-SSF will report the detail account positions to each SRO. The CFTC will receive a report of the positions summarized by CFTC account identifier, product symbols, expiration dates, trade dates and add/change delete indicator.

If a firm wishes to Change or Delete a previously submitted position report and if the original position report was one of many for a given CFTC account identifier, the firm must resubmit all the details of all accounts with the same CFTC identifier. As noted above, SIAC will summarize position reports sent to the CFTC. Because the CFTC receives a single record that potentially consists of the summarization of more than one individual account, it is necessary for firms to resubmit all the individual accounts and positions when reporting a Change or Delete. For a Change, resubmission must consist of all the accounts and positions originally reported that did not change as well as those that did change. For a Delete, the resubmission must consist of all accounts and positions originally submitted.

A change or delete to a position report must be performed in separate physical file transmission to SIAC. E.g., if a firm submits an add transaction and wishes to subsequently change the data, it must include the change transaction in a separate file transmission.

ESTABLISHING CONNECTIVITY TO SIAC

Organizations that do not already have connectivity to SIAC's Shared Data Center and its Datatrak input subsystem, must contact SIAC's Client Connectivity Group at 212 383 5401. Please identify your request by mentioning Datatrak Sysid 28323. Various connectivity options will be presented to you. They will also assign Datatrak Originator and Sub-Originator codes that must be included as part of the Datatrak header and trailer records.

If you already maintain connectivity to SIAC, you may use the Datatrak Originator and Sub-Originator you use in other file transmissions.

TESTING REQUIREMENTS

Prior to being approved to submit production data to SIAC, each submitting organization must conduct a successful test with SIAC. The test will verify connectivity and check the format and content of a test file. Please contact SIAC's Client Connectivity Group at 212 383 5401 and once again identify your request by mentioning Datatrak Sysid 28323.

The criteria for passing a successful test with SIAC will be: Submission of a test file containing at least one position report and no errors.

Position reports in test files must contain one or more of the following product codes. Testers may choose any combination of the following product symbols, expiration dates and exchange codes:

Product Symbols – IBM1, MSFT1
Expiration Dates – 200211, 200212
Exchange Codes – A , C , N , X , FF

DATATRAK HEADER RECORD

The Datatrak header record must be the first record in the file.

Position	Field Name	Description	Format	Value
1-16	System ID	Identifies the file as a Large Trader SSF Position File.	X(16)	HDR.S28323.E00.C (There are two zeros – not the letters "OO" after the "E" above.)
17-20	Originator	Identifies organization sending the file.	X(4)	Assigned by SIAC please call 212-383 5401
21-22	Filler		X(2)	.S
23-26	Sub-Originator	Identifies organization sending the file.	X(4)	Assigned by SIAC please call 212-383 5401
27-34	Date	Date of file submission.	X(8)	MMDDYYYY
35-59	Description	Textual identification of the file.	X(25)	ISG SSF LOPR FORMAT
60-80	Filler		X(21)	Space

ACCOUNT IDENTIFICATION RECORDS

A set of up to 5 records are used to identify an account. The first 34 characters of each set of 5 records are identical. The 35th character is a record type (1-5). The remaining characters of each record are name and address fields. Record Type 1 also contains the CFTC Account Number and an add, change or delete indicator. Only record type 1 is required to identify an account. Record types 2-5 are optional.

Position	Field Name	Description	Format	Value
1	ID	Identifies the file type.	X(1)	"S"
2-7	Trade Date	Position effective date.	9(6)	MMDDYY
8-10	Firm ID	Reporting firm number.	X(3)	CFTC assigned reporting firm ID.
11-11	Reserved	Reserved for future use.	X(1)	Must be spaces.
12-15	Branch	Firm branch code.	X(4)	
16-24	Account Number	Account number.	X(9)	
25-33	Social Security Number or Tax ID	Social Security Number or Tax ID depending on the Indicator field.	X(9)	If Social Security/Tax ID Indicator is "F" or "N", this field should be zero.
34-34	Social Security Number or Tax ID Indicator	Indicates whether the above field is a Social Security Number or a Tax ID.	X(1)	S = Social Security Number T = Tax ID F = Foreign N = Not available
35-35	Record Type	Identifies the record type.	X(1)	"1", "2", "3", "4" or "5"
36-65	Name and Address.	Up to 5 records used to supply the account's name and address.	X(30)	
66-77	CFTC Account Number.	The CFTC account number. Only required on record type 1.	X(12)	Must not be spaces on record type 1. This field should be set to spaces on record types 2-5.
78-78	Update indicator.	Indicates whether the report for this account is an add, change or delete of a previously reported position. Only required on record type 1.	X(1)	A = Add C = Change D = Delete This field should be set to spaces on record types 2-5.
79-80	Filler.		X(2)	Space

POSITION RECORDS

Position records (Record Type 6) appear after the account identification records for a given account/trade date. Any number of position records may be used to supply all of the accounts reportable positions.

Position	Field Name	Description	Format	Value
1-34	Record Key		X(34)	Same data as record sequence numbers 1-5 for this account.
35-35	Record Type	Identifies the position record type.	X(1)	"6"
36-41	Symbol	Product symbol.	X(6)	Do **not** include the exchange code as part of the product symbol.
42-43	Exchange Code	Exchange on which the position was obtained.	X(2)	Two character exchange identifier assigned by the CFTC. If product is fungible this field should be set to FF.
44-47	Expiration Date		9(4)	YYMM
48-49	Reserved		X(2)	Spaces
50-50	Put/Call	Reserved for options on SSFs.	X(1)	Space for SSFs. For options: P = Put C = Call
51-62	Strike Price	Reserved for options on SSFs.	9(6)V9(6)	Spaces for SSFs.
63-69	Long Quantity	Long position.	9(7)	If no position, set to zero.
70-76	Short Quantity	Short position.	9(7)	If no position, set to zero.
77-77	CFTC Report Type		X(1)	R = Position Report. E = Exchange for Physicals. D = Delivery Notices.
78-80	Filler		X(3)	Spaces

DATATRAK TRAILER RECORD

This record must be the last one in the file.

Position	Field Name	Description	Format	Value
1-16	Trailer ID	Identifies the Trailer Record.	X(16)	END.Sxxxxx.E00.C (There are two zeros – not the letters "OO" after the "E" above.)
17-20	Originator	Identifies organization sending the file.	X(4)	Same as Header Record.
21-22	Filler		X(2)	.S
23-26	Sub-Originator	Identifies organization sending the file.	X(4)	Same as Header Record.
27-80	Filler		X(54)	Spaces.

Attachment 2

ISG LARGE TRADER POSITION REPORTING SYSTEM

FOR SINGLE STOCK FUTURES

INPUT CFTC STYLE FILE LAYOUT

V1.2

April 12, 2002

FILE DESCRIPTION

The ISG Large Trader Position Reporting System for Single Stock Futures (LTPR-SSF) will accept Large Trader position reports in the CFTC format from member firms and SROs. The file will consist of a Datatrak (SIAC's input subsystem) header record, followed by any number of position reports, and followed by a single trailer record. SROs and service bureaus may report multiple firms in a single file.

ESTABLISHING CONNECTIVITY TO SIAC

Organizations that do not already have connectivity to SIAC's Shared Data Center and its Datatrak input subsystem, must contact SIAC's Client Connectivity Group at 212 383 5401. Please identify your request by mentioning Datatrak Sysid 28322. Various connectivity options will be presented to you. They will also assign Datatrak Originator and Sub-Originator codes that must be included as part of the Datatrak header and trailer records.

If you already maintain connectivity to SIAC, you may use the Datatrak Originator and Sub-Originator you use in other file transmissions.

TESTING REQUIREMENTS

Prior to being approved to submit production data to SIAC, each submitting organization must conduct a successful test with SIAC. The test will verify connectivity and check the format and content of a test file. Please contact SIAC's Client Connectivity Group at 212 383 5401 and once again identify your request by mentioning Datatrak Sysid 28322.

The criteria for passing a successful test with SIAC will be: Submission of a test file containing at least one position report and no errors.

Position reports in test files must contain one or more of the following product codes. Testers may choose any combination of the following product symbols, expiration dates and exchange codes:

Product Symbols – IBM1, MSFT1
Expiration Dates – 200211, 200212
Exchange Codes – A , C , N , X , FF

DATATRAK HEADER RECORD

The Datatrak header record must be the first record in the file.

Position	Field Name	Description	Format	Value
1-16	System ID	Identifies the file as a Large Trader SSF Position File.	X(16)	HDR.S28322.E00.C (There are two zeros – not the letters "OO" after the "E" above.)
17-20	Originator	Identifies organization sending the file.	X(4)	For firms and service bureaus: Assigned by SIAC please call 212-383 5401
21-22	Filler		X(2)	.S
23-26	Sub-Originator	Identifies organization sending the file.	X(4)	For firms and service bureaus: Assigned by SIAC please call 212-383 5401
27-34	Date	Date of file submission.	X(8)	MMDDYYYY
35-59	Description	Textual identification of the file.	X(25)	For firms and service bureaus: ISG SSF CFTC FORMAT
60-80	Filler		X(21)	Space

LARGE TRADER POSITION REPORT RECORDS

The file layout and field definitions are documented at the CFTC's Website.

DATATRAK TRAILER RECORD

This record must be the last one in the file.

Position	Field Name	Description	Format	Value
1-16	Trailer ID	Identifies the Trailer Record.	X(16)	END.S28322.E00.C (There are two zeros – not the letters "OO" after the "E" above.)
17-20	Originator	Identifies organization sending the file.	X(4)	Same as Header Record.
21-22	Filler		X(2)	.S
23-26	Sub-Originator	Identifies organization sending the file.	X(4)	Same as Header Record.
27-80	Filler		X(54)	Spaces.

Attachment 3

CFTC Form 102