Actionable Identifier

May 2019



Actionable Identifier

- On May 6, 2019, the SEC approved OCC's Actionable Identifier Rule filing
- OCC Rule 401 has been amended to include an Actionable Identifier on all customer and firm trades submitted to OCC for processing

Industry Issue

- Clearing Members asked OCC to assist in finding a solution to reduce mis-cleared trades.
- Worked with Members and determined that an identifier had to be included on the trade for the Carrying Clearing Member to identify the client
- Initially trying to solve issues with CMTA trades but realized the same issue occurs with Exchange Give-up
- Actionable Identifier Solution

Actionable Identifier

- What is an Actionable Identifier?
 - Information included on a trade that contains sufficient information regarding the account that originated the trade, allowing the clearing firm to promptly clear the transaction
 - Identifier may include name, series of numbers, or other identifying information
- Actionable Identifier will be required on ALL customer and firm trades
 - Includes Exchange Give-ups and CMTA Trades
 - Not required for Market Maker Trades
- OCC will not reject trades that do not include an Actionable Identifier but will monitor for compliance with Rule 401

What do firms need to do?

- Actionable Identifier will be determined by Clearing Firms working with Executing Firms
 - Sufficient information allowing the clearing firm to promptly clear the transaction
- Actionable Identifier can be included in Tag 1 on all exchanges except Cboe which is Tag 440 (Cboe will convert to Tag 1 in Oct 2019)
 - Tag 1 10 character field
- In 2018, several firms worked together in a Proof of Concept to determine what should be included on trade

Implementation Timeline

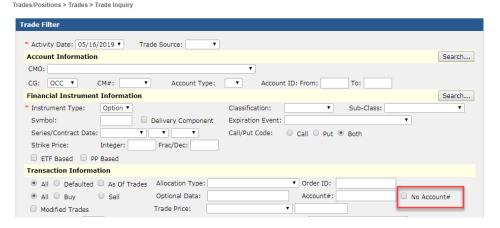
Timeframe	Required Action
March 20, 2019	Formal Rule Filing to amend Rule 401 to require an Actionable Identifier on trades
May 6, 2019	SEC approval
June 8, 2020 (13 months after approval)	Clearing Members would be required to populate Customer ID fields with Actionable Identifiers on all customer and firm trades and should have in place policies and procedures reasonably designed to include Actionable Identifier data to allow prompt clearance of the trades. However, OCC would not treat as a violation of Rule 401 the failure of such policies and procedures to provide that sufficient information is included in the Actionable Identifier field.
December 7, 2020 (19 months after approval)	Clearing Members would be required to populate Customer ID fields on trades with Actionable Identifier data and the data should be actionable to identify clients. This is for all customer and firm trades other than market-maker trades. Clearing Members must have policies and procedures in place reasonably designed to provide that sufficient information is included in the Actionable Identifier fields to allow the receiving firm to promptly clear the trades.

Monitoring

- OCC will monitor transactions for compliance to the new requirement throughout the process
- Statistical information will be supplied to Clearing Members to Monitor progress
 - Execution and Clearing data representing transactions that do not contain account information

 OCC has created an additional filter on the Trade Inquiry screen for Clearing Members to monitor their transactions for

account information



Industry Outreach and Education

- OCC will continue to have meetings as needed and will also provide updates through OCC Monthly Operations calls, oneon-one meetings, and emails
- OCC has posted documentation under the "Actionable ID" link on www.theocc.com
 - Actionable ID documentation
 - FAQs
 - Trade Mapping documentation