



13th February 2024

## **NOTIFICATION: Option Exercise Style and Option Type Validation**

### **Audience: All DSB Users**

Dear Users,

The below notification is to provide users with an update on OTC ISIN and UPI templates that include the Option Exercise Style and Option Type attributes and the next steps for approximately 344,000 OTC ISINs that were deprecated as part of the pre-population process due to these attributes being mandatory when creating a parent UPI.

### **Background:**

At the DSB Product Committee (PC) meeting on 14 June 2022, the PC approved the proposal to make the Option Exercise Style and Option Type attributes mandatory, for affected UPI and OTC ISIN templates. The minutes of this meeting can be viewed [here<sup>1</sup>](#).

At the time of the release of the UPI service on 16 October 2023 these attributes remained optional in the OTC ISIN templates, although were mandatory for the UPI templates. Users of the OTC ISIN service reported that it was no longer possible to create an OTC ISIN unless the Option Type and Exercise Style attributes were provided. Due to the hierarchy between OTC ISINs and UPIs, the OTC ISIN creates a new UPI or retrieves an existing UPI as part of the OTC ISIN creation process. Due to the absence of these attributes, the UPI creation was failing validation and subsequently the OTC ISIN could not be created and the request was rejected.

In addition, existing OTC ISINs without these attributes were deprecated during the pre-population process, with a deprecated reason of "The Option Exercise Style and/or Option Type cannot be determined". Approximately 344,000 OTC ISINs have been deprecated for this reason.

The discrepancy between the OTC ISIN and UPI templates was raised with the PC at the 5 September 2023 meeting and discussed further at the 14 November 2023 meeting.

At the PC meeting on 28 November 2023 the PC voted to soften the mandatory status of these attributes in UPI templates to bring them in line with the OTC ISIN. The minutes of this meeting can be viewed [here<sup>2</sup>](#). In addition, two new OTC ISIN templates had been introduced as part of the UPI release and include mandatory Option Exercise Style and Type attributes. These two OTC ISIN templates will also be softened so they match their

corresponding UPI template.

**Next steps:**

The PC's decision requires the following updates:

1. New versions of the affected UPI and OTC ISIN templates will be released. This release will remove the mandatory (required) properties of these two attributes, Option type and Exercise Style.
2. The DSB will reinstate any OTC ISIN records that were deprecated before running the pre-population process which will allocate a UPI parent.

The second point means that that DSB's pre-population process, which completed on Saturday 20 January 2024, will need to remain available to re-process these OTC ISIN records. The pre-population cannot be undertaken until the new version of the templates are released into the DSB's production environment. In addition, the ISIN+ file download folder which was introduced to provide users with a combined view of the daily delta files and the migration files will not be decommissioned as planned on 31 January 2024. Support for this folder will now be extended until these OTC ISIN records have been re-processed.

A second notification will be issued once details on the timeline for these changes is known.

Please visit the [release page](#)<sup>3</sup> on the website which includes a link to the change documentation which includes the affected product templates.

<sup>1</sup> <https://www.anna-dsb.com/download/pc-meeting-minutes-of-the-14th-of-june-2022/>

<sup>2</sup> <https://www.anna-dsb.com/download/pc-meeting-minutes-of-the-28th-november-2023/>

<sup>3</sup> <https://www.anna-dsb.com/2024-option-exercise-style-and-option-type/>

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