

871(m) Daily Delta Feed

Background

Amendments to the US Internal Revenue Service (IRS) regulations 871(m) announced in September 2015 came into effect January 1, 2017. These changes require dealers to withhold US federal taxes on certain equity-linked instruments, including those, which reference indices. IRS guidance notes published on December 2 2016 provide further details on enforcement and administration during the phase in period.

In order to comply with these changes dealers must be able to identify which equity-linked instruments are in scope and a key element to making that determination is the daily delta calculation. Delta measures the rate of change of a derivative security value with respect to changes in the underlying asset's price. The IRS has deemed equity-linked instruments with a delta greater than 0.8 as in scope.

Exchange Data International Solution

Exchange Data provides end-of-day delta for U.S and international exchange-listed options on equities, exchanged traded funds (ETFs), equity indexes, and futures. The delta file includes the following fields:

- Contract Name
- Ticker Symbol
- Issuer Name
- Underlying ISIN
- Security Type
- Currency
- Country
- Put/Call Indicator
- Exercise Style
- Expiration Date
- Contract Size
- Strike
- Underlying Price
- Option Premium
- Delta

Subscribers can choose to receive the delta end of day service by exchange, portfolio or on a global basis.

Feeds are available by FTP in TXT formats. Sample data is available on request.

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