

IMPORTANT NOTICE

Fixed Income Clearing Corporation



#: GOV095.11
Date: June 29, 2011
To: Government Securities Division Members
Attention: Managing Partner/Officer, Operations Officer, OFAC Compliance Officer, Chief Compliance Office, General Counsel
From: General Counsel's Office
Subject: Re-Confirmation of an OFAC Program

Members of Government Securities Division and Participants of Mortgage-Backed Securities Division of the Fixed Income Clearing Corporation ("FICC") that are subject to the jurisdiction of the United States under Office of Foreign Assets Control ("OFAC") regulations are required to provide FICC with a "Confirmation of an OFAC Program" (hereinafter, the "OFAC Confirmation") every two years. For more information, please refer to rule filing SR-FICC-2009-09, [Important Notice GOV130.09](#), and [Important Notice MBS180.09](#), available at www.dtcc.com.

The OFAC Confirmation is intended to evidence that the U.S. Member or Participant (i) has the primary relationship with the customers for whom it is conducting activity through FICC; and (ii) has implemented a risk-based program reasonably designed to comply with applicable OFAC sanctions and regulations. The OFAC Confirmation that U.S. Members and Participants submitted to FICC since the implementation of SR-FICC-2009-09 rule filing on October 1, 2009 will expire two years from the date the confirmation was issued by the U.S. Member or Participant.

This Important Notice serves as a reminder that the OFAC Compliance Officer, Chief Compliance Officer or other individual with responsibility for managing the OFAC compliance program for U.S. Members and Participants must renew their OFAC Confirmation **on or prior to the expiration date**.

FICC will launch a new web browser application called OFAC Confirmation (accessible via the DTCC Portal) so that U.S. Members and Participants can renew their confirmations electronically rather than by submitting a hard copy confirmation. The OFAC Confirmation application will allow U.S. Members and Participants to provide their confirmation for one or more legal entities in one submission and view the history of submissions to FICC. The application will also allow U.S. Members and Participants to read and print a copy of the executed confirmation.

Non-Confidential

DTCC is now offering enhanced access to all important notices via a new, Web-based subscription service. The new notification system leverages RSS Newsfeeds, providing significant benefits including real-time updates and customizable delivery. To learn more and to set up your own DTCC RSS alerts, visit http://www.dtcc.com/subscription_form.php.

FICC will notify each U.S. Member and Participant individually approximately ninety (90) days before the expiration of its current confirmation. FICC will send an e-mail to the individual that the U.S. Member or Participant has designated as its OFAC Compliance Officer, Main Contact and Director of Operations informing the designated OFAC Compliance Officer to request access from their Access Coordinator to complete the re-confirmation for one or more of the firm's legal entities. Once the Access Coordinator registers the OFAC Compliance Officer for the application, the OFAC Compliance Officer can log-on to the application and be directed to a screen that displays the names of the legal entity or entities that the OFAC Compliance Officer has been set up to confirm. The OFAC Compliance Officer will have the ability to read and print the language of the confirmation and the ability to submit the confirmation electronically. Once the confirmation has been submitted, FICC will send a confirmation e-mail to the OFAC Compliance Officer within 24 hours.

U.S. Members or Participants that do not have access to the DTCC Portal must first apply to do so and assign an Access Coordinator. To set up an Access Coordinator if one does not exist, contact the Relationship Services Group via e-mail at webrsg@dtcc.com

U.S. Members or Participants that fail to provide the electronic confirmation of an OFAC Program on or before the expiration date will be subject to a \$5,000 fine.

General questions regarding this notice may be directed to your Relationship Manager. For questions or issues with Access Coordinators, user IDs and passwords, call (888) 382-2721 (then press option 5 and sub-option 2). For questions on the rule requiring confirmation of an OFAC Program, call Grace Santiago (212) 855-2653 or Patrick Mapp (212) 855-3690.