



# **DTC CORPORATE ACTIONS**

## **DISTRIBUTIONS SERVICE GUIDE**

JULY 17, 2024

**IMPORTANT LEGAL INFORMATION**

The contents of all Service Guides constitute "Procedures" of The Depository Trust Company ("DTC") as defined in the Rules of DTC. If Participants or other authorized users of DTC's services fail to follow these Procedures precisely, DTC shall bear no responsibility for any losses associated with such failures.

In connection with their use of the Corporation's services, Participants and Pledges must comply with all applicable laws, including all applicable laws relating to securities, taxation, and money laundering, as well as sanctions administered and enforced by the Office of Foreign Assets Control ("OFAC"). As part of their compliance with OFAC sanctions regulations, all Participants and Pledges must agree not to conduct any transaction or activity through DTC that violates sanctions administered and enforced by OFAC.

From time to time, DTC receives from outside sources notices and other documents, including corporate action information, and communications concerning financial assets. Although DTC may make certain of such documents and communications, or extracts therefrom ("Information") available to Participants and other authorized users, it shall be under no obligation to do so nor, having once or more done so, shall DTC have a continuing obligation to make available Information of a certain type. Information is not independently verified by DTC and is not intended to be a substitute for obtaining advice from an appropriate professional advisor. Therefore, Participants and other authorized users are advised to obtain and monitor Information independently. In addition, nothing contained in Information made available to Participants and other authorized users shall relieve them of their responsibility under DTC's Rules and Procedures or other applicable contractual obligations to check the accuracy, where applicable, of Participant Daily Activity Statements and all other statements and reports received from DTC and to notify DTC of any discrepancies. **DTC DOES NOT REPRESENT THE ACCURACY, ADEQUACY, TIMELINESS, COMPLETENESS, OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY INFORMATION (AS DEFINED ABOVE) PROVIDED TO PARTICIPANTS AND OTHER AUTHORIZED USERS, WHICH IS PROVIDED AS-IS. DTC SHALL NOT BE LIABLE FOR ANY LOSS RELATED TO SUCH INFORMATION (OR THE ACT OR PROCESS OF PROVIDING SUCH INFORMATION) RESULTING DIRECTLY OR INDIRECTLY FROM MISTAKES, ERRORS, OR OMISSIONS, OTHER THAN THOSE CAUSED DIRECTLY BY GROSS NEGLIGENCE OR WILLFUL MISCONDUCT ON THE PART OF DTC.** Further, such Information is subject to change. Participants and other authorized users should obtain, monitor, and review independently any available documentation relating to their activities and should verify independently information received from DTC.

**DTC SHALL NOT BE LIABLE FOR: (1) ANY LOSS RESULTING DIRECTLY OR INDIRECTLY FROM INTERRUPTIONS, DELAYS, OR DEFECTS ARISING FROM OR RELATED TO ITS SERVICES; AND (2) ANY SPECIAL, CONSEQUENTIAL, EXEMPLARY, INCIDENTAL, OR PUNITIVE DAMAGES.**

The services provided by DTC to its Participants and other authorized users are provided only pursuant to the terms and conditions of the Participants Agreement, which references the Rules and Procedures of DTC, and/or other contractual documents (collectively, the "Contractual Documents"). DTC's obligations to Participants and other authorized users are therefore contractual in nature and are limited solely to those obligations expressly set forth in the Contractual Documents. Participants and other authorized users are obligated to, among other things, follow precisely the procedures outlined in the Contractual Documents and provide DTC with complete and accurate information. In accepting financial assets from Participants and/or providing services to other authorized users, DTC relies, among other things, upon the duty of Participants and other authorized users to exercise diligence in all aspects of each transaction processed through DTC.

Participants and other authorized users expressly acknowledge that the services provided by DTC are ministerial in nature. Moreover, as further reflected by DTC's fee structure (which typically bears no relationship to the dollar value of any given transaction), DTC does not accept any risk of loss to Participants, other authorized users and possible third party beneficiaries with respect to transactions being processed by DTC.

**WHILE THIS SERVICE GUIDE DISCUSSES CERTAIN TAX CONSEQUENCES OF THE VARIOUS CORPORATE ACTIONS DESCRIBED HEREIN, DTC DOES NOT PROVIDE TAX ADVICE. FURTHERMORE, THIS SERVICE GUIDE DOES NOT DISCUSS ALL THE RELEVANT TAX CONSIDERATIONS THAT MAY BE APPLICABLE TO PARTICIPANTS AND OTHER AUTHORIZED USERS. IN ADDITION, THE SUBJECT TAX LAWS AND REGULATIONS MAY BE SUBJECT TO DIFFERING INTERPRETATIONS AND MAY BE CHANGED, PERHAPS RETROACTIVELY. PARTICIPANTS AND OTHER AUTHORIZED USERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS REGARDING ALL THE RELEVANT TAX CONSEQUENCES OF ANY PARTICULAR CORPORATE ACTION OR OTHER TAXABLE EVENT.**

Copyright © 2024 by The Depository Trust Company ("DTC"). All rights reserved. This work (including, without limitation, all text, images, logos, compilation and design) is copyrighted, is proprietary, and is intended for the exclusive use of DTC's Participants and other authorized users of DTC's services. If this work is received in any electronic medium, authorized users of this work are permitted the limited right to make reproductions and transmissions necessary for downloading and storage of this work on the users' computers. Such users are also permitted to print one or more paper copies from the electronic version for their own use. Other than to this limited extent, no part of this work (including any paper copies thereof or print versions thereof) may be altered, reproduced or distributed (including by transmission) in any form or by any means, or stored in any information storage and retrieval system, without DTC's prior written permission.

REDISTRIBUTION BY PARTICIPANTS OF CERTAIN DATA FILES AND THE INFORMATION PROVIDED BY DTC IS STRICTLY PROHIBITED. FOR PURPOSES OF THIS PROCEDURE, “DATA FILES” SHALL MEAN THE BULK CORPORATE ACTIONS DATA FILES PROVIDED BY DTC TO PARTICIPANTS. EACH DATA FILE PROVIDED BY DTC TO A PARTICIPANT IS AND SHALL CONTINUE TO BE THE PROPERTY OF DTC AND NOT OF ANY PARTICIPANT IN RECEIPT THEREOF; THIS PROCEDURE DOES NOT CONSTITUTE THE GRANT OF ANY LICENSE IN, TO OR FOR THE USE OF, ANY DATA FILE OR INFORMATION DISTRIBUTED HEREUNDER OTHER THAN TO DISTRIBUTE TO ITS ACCOUNT HOLDERS INFORMATION CONTAINED IN ANY DATA FILE IT RECEIVES TO THE EXTENT SUCH INFORMATION IS RELEVANT TO THE SECURITY HOLDINGS OF SUCH ACCOUNT HOLDERS, OR IS OTHERWISE REQUIRED BY APPLICABLE LAW.

Participants shall not use, distribute, transmit or otherwise make available any Data File or Information, with or without any service charge or fee, as the basis for or as part of a data product or service offered for commercial gain to any other person. DTC’s affiliate DTCC Solutions LLC (“DTCC Solutions”) has the right to license usage of the Data Files for purposes other than those permitted in the first paragraph of this Procedure, and any Participant which wishes to use or distribute Data Files other than as contemplated hereby must contract directly with DTCC Solutions prior to any such distribution. This restriction includes, but is not limited to, service bureaus and other third parties, whether or not affiliated with a Participant, regardless of whether such person as previously itself received and/or used any Data Files in the past; such entities may obtain the Data Files only upon execution of a license agreement with DTCC Solutions.

DTC shall have the right, but not the obligation, to audit the use and distribution of Information and Data Files by any Participant. Unauthorized use or distribution by Participant, any of its Affiliates or any of its account holders may result in a fine or other reasonable penalty determined by DTC in accordance with its rules in light of the facts and circumstances of such unauthorized use or distribution. By its acceptance of Information or any Data File, each Participant agrees that, in addition to all other remedies that may be available, DTC and its affiliate DTCC Solutions shall be entitled to seek specific performance and injunctive and other equitable relief as a remedy for any breach of this Procedure by such Participant, its officers, employees, advisors or agents. Neither DTC nor DTCC Solutions shall be liable for any loss, cost or expense arising out of the use of any Data File or the Information contained therein, or the gross negligence or willful misconduct of any Participant with respect to any Data File or the Information contained therein, provided hereunder, the failure of any Participant to comply with these Rules and Procedures or applicable law, or for any consequential, special or punitive damages related thereto.

The contents of the Service Guides are updated in different formats on a periodic basis. Participants and other authorized users of the Service Guides will find the most current version of the Service Guides, as well as DTC Important Notices which address the contents of the Service Guides, at <http://dtcc.com>. You can access the Important Notices at <http://dtcc.com/legal/important-notices.aspx>. DTC shall bear no responsibility for any losses associated with the failure of Participants or other authorized users to follow DTC's most current Service Guides and/or Important Notices.

# Contents

IMPORTANT LEGAL INFORMATION .....	i
Contents .....	iv
About Distribution Services.....	9
Introduction.....	9
Overview.....	9
About the Distribution Service .....	10
Preparing to Use the Service.....	10
Announcements.....	11
How Announcements Work.....	11
Security Types .....	12
Information Sources.....	13
Tax Event Announcements.....	13
Description.....	13
How Tax Event Announcements Work .....	13
The Tax Event Announcement Feature .....	14
Instructions.....	16
Services .....	16
DTC TaxRelief <sup>(SM)</sup> .....	17
How It Works.....	17
Benefits of Using DTC TaxRelief <sup>(SM)</sup> .....	18
Legal Considerations .....	18
DTC TaxInfo <sup>(SM)</sup> .....	19
How it Works.....	19
Legal Considerations .....	19
Dividend Reinvestment Including Opt Outs.....	20
Benefits of Using Dividend Reinvestment.....	20
Standing Instructions - Dividend Reinvestment .....	20
How It Works.....	20

Foreign Currency Payment (FCP).....	20
How It Works.....	20
Benefits of Using Foreign Currency Payment .....	20
Legal Considerations .....	21
Standing Instructions – Foreign Currency Payment .....	21
How It Works.....	21
Optional Dividends .....	21
Distribution of Rights .....	22
Canadian Rights .....	22
Canadian Rights Release Requests .....	22
Proceeds From Sale of Unreleased Rights.....	23
Rights Exited by DTC.....	23
Special Circumstances .....	23
Associated Rights Functions.....	23
Cash-in-Lieu (CIL)/Roundup.....	24
Benefits of Using CIL/Roundup .....	24
U.S. Tax Withholding.....	24
Foreign Account Tax Compliance Act (“FATCA”) Requirements.....	25
How it Works.....	25
Legal Considerations .....	25
Direct Payment Service.....	26
How It Works.....	26
Benefits of Using the Direct Payment Service.....	26
Entitlements/Allocations.....	27
About Entitlements/Allocations.....	27
Distribution Events Entitled Positions .....	27
Position Adjustment for Reduction of Payment on Treasury Shares or Repurchased Debt Securities (for Record Date Distributions) .....	28
Interim Accounting .....	28
Overview.....	28
Reasons for Interim Accounting .....	28
Without DTC's Interim Accounting.....	28

With DTC's Interim Accounting.....	29
Interim Accounting Usage .....	29
Interim Accounting for an Ex-Date Change Due to Unscheduled Closing of a Stock Exchange .....	30
Interim Accounting on a Security being Delisted.....	30
New York City Record Date Mini-Interim.....	31
Participant Deposits Missing Transfer.....	31
Participant Withdrawal-by-Transfer (WT) Missing Transfer.....	31
Allocations.....	32
Cash Distributions.....	32
Cash Distributions for MMI Issues.....	32
Dividend Cash Settlement Reporting.....	32
Stock Distributions.....	33
Adjustments .....	35
Overview.....	35
About Charge-Backs and Adjustments .....	35
Reasons for Charge-Backs and Adjustments .....	35
Due Bill Fail Tracking System.....	36
About Due Bill Fail Tracking .....	36
How Due Bill Fail Tracking Works.....	36
Important Notes .....	36
Monitoring Period.....	37
About Paired Transactions .....	37
Adjustments Processing .....	37
Tax Treatment.....	37
Stock Loan Income Tracking System .....	38
About Stock Loan Income Tracking.....	38
How Stock Loan Income Tracking Works .....	38
Payments That Are Not Tracked.....	38
Viewing Stock Loan Activity and Positions .....	38
Correcting P & I Payments on Stock Loan Positions .....	39
Tax Treatment.....	39

Repurchase Agreement (REPO) Tracking System .....	39
About the Product .....	39
How the Product Works .....	39
Viewing REPO Activity and Positions .....	40
Correcting REPO Positions .....	40
Tax Treatment .....	40
Other Services .....	41
Coupon Collection Service (CCS) .....	41
Collection Outside of New York Metropolitan Area .....	41
Collection Within the New York Metropolitan Area .....	41
Past Due Coupons .....	41
CMO Trade Adjustments System (CTAS) .....	42
About Collateralized Mortgage Obligation (CMO) Trade Adjustments .....	42
Relevant Terms .....	42
About CMOs .....	42
How CTAS Works .....	43
What CTAS Doesn't Do .....	43
Adjustments to Variable Rate Issues .....	43
Viewing CTAS Adjustments .....	44
Associated Functionality .....	44
Refunds .....	44
Undistributed Long-Term Capital Gains .....	45
Tax Form Repository .....	45
Opt-Out .....	45
Claims .....	46
Description .....	46
Validation .....	46
Invalid Claims .....	46
Abandoned Property .....	46



The Domestic Tax Reporting Service (“DTax”)..... 47

    About DTax ..... 47

    Associated PTS/PBS Functions ..... 47

Distributions Contact Number ..... 48

Support for Distributions Inquiries ..... 49

Support for ISO 20022 Messaging and CA Web..... 50

Appendix..... 51

## ABOUT DISTRIBUTION SERVICES

### Introduction

#### Overview

This guide describes DTC's income processing services which collectively fall under the Distributions event group in the Corporate Actions product. Each section includes a description of the service and how it works. All Distribution services concerning income processing can be accessed on the Corporate Actions Web browser referred to as "CA Web".

Subject to the terms of the "Important Legal Information" section, while DTC endeavors to provide Participants with timely and accurate information with respect to Distributions, Redemptions, and Reorganizations events, Participants are responsible for monitoring, obtaining and confirming such information without reliance on DTC, and for reconciling their records in advance of any critical dates, including, but not limited to, dividend, interest payable, redemption, maturity payable, and voluntary and mandatory reorganizations dates.

**Note:** It is the sole responsibility of Participants to perform a daily reconciliation of their activity and positions with the information, reports and statements provided by DTC. Participants must immediately report to DTC any discrepancy between their activity and positions with the information, reports and statements provided by DTC or other issues relating to the accuracy of the information, reports and statements provided by DTC. Such reports must be made to DTC by (i) calling the Client Support hotline at 1-888-382-2721 (and selecting Option 1, Option 1) to speak with a DTC representative and (ii) providing a written detailed description of the discrepancy to the DTC representative, or as otherwise directed by DTC in writing. DTC shall not be liable for any loss resulting or arising directly or indirectly from mistakes, errors, or omissions related to the information, reports or statements provided by DTC, other than those caused directly by gross negligence or willful misconduct on the part of DTC.

**Note:** DTC, as it deems appropriate, may extend any deadline, timeframe, or cutoff established by DTC, including, without limitation, to (i) address operational or other delays that could reasonably affect the ability of DTC, a Participant or other stakeholder from meeting the deadline, timeframe, or cutoff; or (ii) allow DTC time operationally to exercise its existing rights under the Rules and Procedures. In addition, times applicable to DTC are standards and not deadlines; actual processing times may vary, based upon the circumstances. Any action taken by DTC in connection with this paragraph shall not establish a precedent for any situation that may occur in the future (or otherwise bind DTC in any manner). DTC disclaims all liability for any losses and/or expenses incurred by a Participant, stakeholder or any third-party resulting from, relating to, or arising from (i) any action taken by DTC in connection with this paragraph, (ii) the determination of DTC to decline to take action pursuant to this paragraph, and/or (iii) the failure of a Participant, stakeholder or any third-party to meet any deadline, timeframe, cutoff or requirement established by a party other than DTC.

## About the Distribution Service

DTC's Distribution service includes announcing, collecting, allocating and reporting dividend, interest and certain principal payments on behalf of its participants holding DTC-eligible securities serviced by the depository. This centralized processing spares participants the burden of dealing with thousands of paying agents.

DTC accepts instructions on Distribution events when applicable. Participants may submit instructions via ISO 20022 messaging or via the CA Web.

The Distribution service also includes several optional features, such as Dividend Reinvestment, Foreign Currency Payments, Domestic Tax Reporting (DTAX), DTC TaxInfo<sup>SM</sup>, DTC TaxRelief<sup>SM</sup> and U.S. Tax Withholding.

DTC employs a harmonized, single-event data model. It includes event/sub event type combinations which differ from the function code model used in the PTS/PBS platforms. As part of the data model, DTC manages a distribution events lifecycle through one holistic corporate action event identifier (CA ID).

## Preparing to Use the Service

In order to use the Distribution services, you must have access to one of the following:

- The Participant Terminal System (PTS)
- The Corporate Actions Web (CA Web)
- Participant Browser Service (PBS)
- ISO 20022 Messages via MQ, NDM/FTP or SWIFT
- CCF (Computer-to-Computer Facility) format files

DTC offers a comprehensive overview of distribution activity comprised of Announcements, Instructions, Allocations, Adjustments and applicable alerts via CA Web's Distributions dashboard which "pushes" data to users.

Understanding the Distributions lifecycle and data model are important prerequisites for successful use of the Distributions service. DTC offers robust training resources available at its Asset Services Learning Center — <https://dtclearning.com/learning/assetservices/>

Contact your Relationship Manager for more information.

**Note:** DTC also provides various reports on SMART/Search and the ability to export data from CA Web to spreadsheets, for manipulation and analysis.

## ANNOUNCEMENTS

### How Announcements Work

- DTC retrieves information on dividend and interest payments from various sources (see [Information Sources](#))
- DTC distributes information electronically in advance of the dividend or interest payable date. This helps you reconcile your records with DTC before the payable date. Event information includes but is not limited to:
  - Corporate Action Event ID (CA ID)
  - CUSIP number
  - Record date
  - Ex date
  - Payable date
  - Due bill redemption date
  - DTC position capture date
  - Security rate
  - Cash rate
- Under the CA ID you will see event level information. Every event has at least one option. Options indicate what is available as an entitlement to eligible holders. Examples of option types include cash, securities or a mix of both. For events offering multiple options, elections can be made. In the case of Distribution events where elections can be made, there will be both a default option and one or more choice options. Within every option there will be at least one payout. A payout should be considered the actual entitlement. Entitlements can include:
  - Cash
  - Interest
  - Securities
  - Dividend reinvestment
  - Long and short term capital gains
- DTC provides its participants with information pertaining to their event record-date positions through the following delivery mechanisms:
  - Corporate Actions Web
  - Participant Terminal System (PTS) functions
  - Participant Browser Services (PBS)
  - Computer to Computer Facilities (CCF) file transmissions
  - ISO 20022 Messaging

- SMART/Search
- Important Notices, as necessary (available on our Web site at <http://www.dtcc.com/legal/important-notices.aspx>)

## Security Types

---

DTC announces corporate action events for security types including but not limited to the following:

- American depositary receipts (ADRs)
- Asset-backed securities (ABS)/Mortgage-backed securities (MBS)
- Collateralized mortgage obligations (CMOs)
- Corporate bonds
- Equity issues
- Equity derivatives
- Exchange-traded funds (ETFs)
- Money market instruments (MMIs)
- Municipal bonds
- Municipal variable-rate demand obligations (VRDOs)
- Private placements
- REITS/Partnerships
- Sovereign debt
- Unit investment trusts (UITs)

The following distribution events are covered in the functionality described below:

- Cash dividends (including foreign tax relief, tax reclaim, special dividends, voluntary dividend reinvestment including opt out and increase on shares)
- Interest (corporate, municipal and sovereign debt including tax relief)
- Principal
- Capital gains (short term, long term)
- Sale of rights on ADR securities
- Return of capital
- Dividend with option
- Stock splits
- Stock dividends
- Automatic dividend reinvestments

- Spinoffs
- Rights distributions
- Pay in kind
- Liquidation based on record date holdings
- Tax Events

## Information Sources

DTC receives Announcement information, both electronically and in hard-copy format, from the following:

- Issuers
- Exchanges
- Paying, transfer or remarketing agents
- Internal sources
- Trustees
- Depository banks
- Participants
- Industry vendors
- Municipal Market Data

## Tax Event Announcements

### Description

Tax Event announcements are (i) information only announcements regarding taxable events that may give rise to information and/or withholding obligations which occur even in the absence of an actual distribution of dividend and interest payments, (ii) information only announcements regarding the taxability of a corresponding distribution, and/or (iii) other relevant tax data that DTC receives from an issuer (“Tax Events”).

### How Tax Event Announcements Work

As the registered holder of a security, DTC often receives tax information directly from issuers, issuer’s agents, and trustees (“Tax Event Announcement”). A Tax Event Announcement leverages the announcement process to provide this information in a standardized format to help participants meet their tax withholding and reporting obligations. The announcement includes event/sub event type combinations to differentiate between different tax event types.

## The Tax Event Announcement Feature

The Tax Event announcements feature provides relevant information to participants on:

- Deemed dividends under Section 305(c) of the Internal Revenue Code
- Dividend equivalent amounts under Section 871(m) Internal Revenue Code
- Classification of distributions for 1042-S purposes
- Whether a distribution includes amounts in excess of cumulative net income
- The publication date of a qualified notice issued by a publicly traded partnership

The Tax Event announcements feature uses the following data fields to provide relevant information to participants:

Event Type	Sub-Event Type	Fields
Tax Event	305(c) Deemed Distribution	<ul style="list-style-type: none"> <li>• Record Date – field used for position capture</li> <li>• Payable Date – field used for the date of the deemed distribution</li> <li>• Cash Rate – field used for the amount of the deemed distribution</li> <li>• Comments – field used to provide any other pertinent information regarding the event</li> </ul>
Tax Event	871(m) Dividend Equivalent Amount	<ul style="list-style-type: none"> <li>• Record Date – field used for position capture</li> <li>• Payable Date – field used to provide the payable date of the underlying security</li> <li>• Cash Rate – field used for the amount of the dividend equivalent payment</li> <li>• Timing of the Dividend Equivalent Amount – field used for the timing of dividend equivalents under 1.871-15 of Treasury regulations</li> <li>• Comments – field used to provide any other pertinent information regarding the event</li> </ul>

Event Type	Sub-Event Type	Fields
Tax Event	1042-S Classifications	<p>1042-S classifications are used for distributions that have multiple types of income for IRS Form 1042-S purposes. These announcements are “linked” to a distribution announcement and will include multiple cash rates with each cash rate having a corresponding 1042-S Income Code.</p> <p>IMPORTANT NOTE: Issuers making payments that have multiple classifications for Form 1042-S tax withholding and reporting purposes should utilize a template as provided by DTC to provide applicable classification information to DTC. Issuers making payments subject to Rule 1.1446-4(b)(4) under the Internal Revenue Code may provide a “qualified notice” in lieu of the template. The breakdown of the classifications must be provided to DTC on or before record date and should be final. By providing DTC with the classification information, the issuer confirms that the information should be final. However, DTC will accept and distribute updated information to Participants to the extent an issuer notifies DTC that the information has changed and the issuer provides DTC with corrected classification information in compliance with applicable tax regulations. DTC reserves the right not to accept classification information from issuers that do not abide by these requirements and/or applicable tax regulations.</p> <p>To the extent 1042-S Classification information applicable to a Participant’s holdings is not made available through Tax Events Announcements, the Participant should obtain such information from the issuer outside of DTC.</p>
Tax Event	1446(f) Excess of Cumulative Net Income	<p>These announcements are “linked” to distribution announcements from a publicly traded partnership and provide the amount of the distribution that is in excess of cumulative net income.</p> <p>Cash Rate – field used to provide the amount of a distribution that is in excess of cumulative net income. (note: if the qualified notice states that none of the distribution is in excess of cumulative net income, then the Cash Rate field would reflect zero.)</p>
General Information	92-Day Exemption Qualified Notice	<p>Declared Publication Date – field used to provide the posting date of a qualified notice issued by a publicly traded partnership.</p>

IMPORTANT NOTE: DTC does not independently verify the accuracy and/or completeness of Tax Event Announcement information it receives from issuers and agents. It is the sole responsibility of each Participant to ensure the accuracy and completeness of Tax Event Announcement information that it uses for any purpose, including but not limited to tax withholding and reporting.



## INSTRUCTIONS

### Services

The DTC Corporate Actions service allows participants to submit instructions on Distribution events that qualify for various elective dividend services. Participants are able to submit instructions on the following:

- DTC TaxRelief<sup>SM</sup>
- Dividend Reinvestment (DRIP) including Opt Out
- Foreign Currency Payments
- Standing Instructions
- Optional Dividends
- US Tax Withholding
- Cash in Lieu/Roundup
- Direct Payment Service

For DTC eligible distribution events participants have the ability to submit ISO 20022 instruction messages in place of doing so via the CA Web. Participants can submit ISO 20022 instructions on applicable tax relief, foreign currency payments, dividend reinvestment including opt out and optional dividend events. Submitting ISO 20022 instructions requires specific information that can be found on the ISO 20022 Announcement message (CANO). On a given event, if an instruction is made via CA Web, any subsequent instructions on that specific event must be made via CA Web – you can no longer submit an instruction for that specific event via ISO 20022.

**Important Note:** Participants who submit an ISO 20022 instruction message are responsible for monitoring a positive acknowledgement of receipt of that instruction by DTC. There are two layers of acknowledgement; the first comes from the network and second from the application itself. The absence of a positive acknowledgement of receipt of that instruction by both the network and application indicates that the instruction may not have been processed by DTC. Participants should consult the CA Web to determine whether or not the instruction was processed. If CA Web does not reflect that the instruction was processed, the Participant must re-submit it via CA Web.

Participants should elect using the option number and option type as is it supplied by DTC in the specified option blocks on the CA Web and in the ISO 20022 message, not as it appears in an issuer circular or source document. The option blocks are fielded data elements supplied specifically by DTC; they are not issuer text that can be found as a comment or a narrative in a source document.

## DTC TaxRelief<sup>SM</sup>

When dividends and interest are paid on foreign securities, foreign tax is generally withheld from the payment by the paying agent and paid to the foreign taxing authority. Generally, the paying agent withholds an amount of tax determined by statute (statutory rate) in the local jurisdiction where the security is issued. Often, investors are resident for tax purposes in a jurisdiction that has a tax treaty with the country of issuance of a security. For qualifying types of investors, these treaties often allow for a withholding rate less than the statutory rate.

DTC TaxRelief<sup>SM</sup> (TaxRelief<sup>SM</sup>) makes it possible for qualifying beneficial owners to obtain tax relief “at-source” or via an accelerated refund on certain foreign issues as a result of tax relief arrangements established with issuers, agents or the tax authorities of various countries. Obtaining relief at-source means investors receive the income payment with the most favorable rate of tax for which they qualify deducted at the same time. The alternative to “at-source” relief would be to be taxed at the highest rate on the income payment date and file a tax reclaim to receive the amount overpaid by the beneficial owner. In some markets, DTC may offer a post payable tax election service.

TaxRelief<sup>SM</sup> supports all international DTC-eligible security types including American depositary receipts (“ADRs”), global shares, equities, and fixed income securities for which arrangements have been established with either the respective countries’ tax authorities, agents or issuers.

### How It Works

When DTC is informed by an issuer or its agent that an opportunity exists to elect at a more favorable rate, DTC sends out a communication to participants via dividend announcements, announcements of active and forecast elections and in some cases a DTC Important Notice. Each communication states the issue’s CUSIP number, the tax relief country, the election cutoff date, the record and payable dates and the various tax-relief entitlements for different investor types.

Instructions for TaxRelief<sup>SM</sup> are submitted electronically to DTC via ISO 20022 messaging or CA Web to receive income payments exempt from foreign tax (exempt rate), at a reduced rate of withholding (favorable rate) or at the statutory tax rate (unfavorable rate) for DTC-eligible securities for which TaxRelief<sup>SM</sup> is available. In submitting an instruction, a DTC participant makes certain certifications on behalf of the beneficial owner of the security in order to effect any “at- source” relief or receive an accelerated refund. In particular, the participant certifies that it has documentation supporting the instruction, if so required in the subject jurisdiction. See also [Legal Considerations](#) below.

DTC opens its system to accept certifications on the day after record date and undertakes to accept instructions for a minimum of five business days, if feasible. Sometimes the period is shorter due to circumstances beyond DTC’s control such as requirements of the issuer and/or agent or specific characteristics of the issue. TaxRelief<sup>SM</sup> allows participants to view, enter, modify or delete certifications up to the security’s instruction cutoff date.

For relief-at-source payments, participants and their beneficial customers receive in one transaction simultaneous payment of the income and the associated tax relief. For accelerated refunds, participants receive their customer’s tax relief entitlement through DTC’s cash settlement system subsequent to the initial dividend payment.

DTC also provides DTC TaxInfo<sup>SM</sup> (TaxInfo) as a source for international tax withholding and relief entitlement information. Participants can easily access DTC TaxInfo<sup>SM</sup> via CA Web.

**Note:** The use of DTC TaxRelief<sup>SM</sup> may be limited by the type of security related to a particular jurisdiction (such as ADRs or bonds for example) or may be available on an issue- by-issue basis. DTC continues to work with other foreign tax authorities as well as issuers and agents to arrange for at-source relief (or if such relief is prohibited by applicable statutory provisions or the like, quick conditional refunds) under income tax treaties and/or the domestic law of the issuers' country.

### Benefits of Using DTC TaxRelief(SM)

- Receive income payments net of the most favorable rates of tax your customers are entitled to, based on arrangements set up with various countries' tax authorities, or issuers or agents, as the case may be, enabling you to obtain monies that might otherwise be forfeited due to the complexity and cost of filing tax reclaims
- Improves return on investment
- Increases speed and accuracy in securing tax relief and eliminates the need for paper-based reclaims
- Reduces or eliminates foreign exchange risk by removing the lag time between income payment and receipt of tax reclaim proceeds
- Creates a secure electronic record of tax relief elections
- Reduces or eliminates the possibility of a single income entitlement occurring via two separate payments made in two different tax years which can cause home country tax reporting and payment problems for the beneficial owner and its custodian (e.g. where the income payment precedes the return of over withheld tax)
- Saves money by eliminating the need to finance delayed reclaim proceeds
- Enables better, more informed investment decisions, as investors and investment advisors can calculate returns based on treaty and reduced domestic law withholding tax rates

### Legal Considerations

Participants should be aware that use of DTC TaxRelief<sup>SM</sup> typically requires that participants be able to provide supporting documentation in the event of an audit for any certifications that they make to DTC via TaxRelief<sup>SM</sup>. Additionally, among other things, by submitting the instruction, participants agree that DTC has the right to reverse the tax relief obtained pursuant to such instruction (and related costs) if requested by the applicable taxing authority or paying agent. Note that participants may be required by the ADR Depository, custodian banks, issuer, or applicable tax authority to submit beneficiary lists in support of their DTC TaxRelief<sup>SM</sup> instructions. Please refer to DTC TaxInfo<sup>SM</sup> and event-specific DTC Important Notices for details regarding required documentation.

## DTC TaxInfo<sup>(SM)</sup>

Understanding and determining tax-relief entitlements for various investor types can be difficult as the rules and regulations are often quite complicated and hard to decipher. DTC's TaxInfo<sup>SM</sup> was developed to help participants by presenting pertinent information in a format that is easy to understand.

Offered in conjunction with DTC TaxRelief<sup>SM</sup>, TaxInfo<sup>SM</sup> is a repository of information designed to assist participants in submitting appropriate instructions on behalf of their customers for withholding tax relief on income payments from foreign securities. TaxInfo<sup>SM</sup> should be utilized in conjunction with the applicable event specific Important Notice when making TaxRelief<sup>SM</sup> elections.

This information is compiled from various sources including international taxing authorities, issuers, paying agents, international accounting and law firms and other external sources.

### How it Works

The information is presented in a PDF document which can be launched via the CA Web.

TaxInfo<sup>SM</sup> provides:

- Beneficial owner definitions under various tax treaties
- Tax withholding rates for different investor types applicable to various countries
- Legal conditions regarding the use of DTC TaxRelief<sup>SM</sup>
- Documentation requirements for tax relief processing
- Audit information related to DTC TaxRelief<sup>SM</sup>
- URLs for related Web sites

Use TaxInfo<sup>SM</sup> and applicable Important Notices when you are receiving dividends or interest involving foreign securities eligible for tax relief. It allows you to view important foreign tax withholding information before making decisions regarding instructions for withholding tax relief. For example, a cash dividend is announced for a Swiss ADR. You can use TaxInfo<sup>SM</sup> to determine the proper amount of taxes to be withheld on your customer's dividend distribution.

### Legal Considerations

As stated above, be advised that DTC is not providing tax advice and that TaxInfo<sup>SM</sup> is not meant to be a substitute for sound advice from qualified tax and legal advisors. Participants should consult their own tax advisors in utilizing the information in TaxInfo<sup>SM</sup>.

---

## Dividend Reinvestment Including Opt Outs

---

On certain securities, DTC offers the ability to purchase additional securities with the proceeds of your cash dividend. In addition, certain securities, for example, closed-end funds, automatically default to dividend reinvestment and participants have the ability via ISO 20022 and CA Web to opt out of reinvesting in additional securities in order to receive cash instead on the day after record date.

### Benefits of Using Dividend Reinvestment

You can maintain dividend reinvestment-eligible issues on deposit at DTC without losing the benefits of issuers' plans.

### Standing Instructions - Dividend Reinvestment

An additional feature of the Dividend Reinvestment Program allows participants to create and update standing instructions at the individual CUSIP level only. The standing instructions feature will also apply to dividend reinvestments where an Opt-out is offered. Opt-out standing instructions can be applied either at the CUSIP level or the participant-account level (a.k.a. global level).

### How It Works

Dividend reinvestment including Opt-out standing instructions can be applied and updated in CA Web. Standing instructions in place prior to a dividend reinvestment event's record date will be automatically applied the day after record date. It is important to note that other activity such as fails, stock loans and repos will remain under the default option and will not be included in your standing instruction moves.

---

## Foreign Currency Payment (FCP)

---

Foreign Currency Payment (FCP) allows you to submit instructions to receive periodic interest payments on all or part of your record date position for certain foreign-currency denominated debt issues through DTC in U. S. dollars, or directly from the paying agent, in the currency in which the issue is denominated.

### How It Works

Participants can choose to instruct to receive a specific foreign currency when offered, via ISO 20022 or CA Web. In order to receive payment outside of DTC, participants will need to know the proper wire instructions of the financial institution in the local market where the specific currency is issued.

### Benefits of Using Foreign Currency Payment

In the event you desire the payment in foreign currency, using FCP eliminates the need to convert the payment from U.S. dollars to the foreign currency, thereby avoiding foreign-currency exchange risk.

## Legal Considerations

The following legal considerations apply to foreign currency payment options. Each time you submit FCP instructions via CA Web, you have agreed to the following:

1. You certify that the security described in your instructions was in your DTC record date position; and
2. You authorize DTC to decrease your record date position by the quantity of that security specified in the instructions and to instruct the paying agent to pay the distribution due on the quantity specified in the instructions in the currency in which the security is denominated.

## Standing Instructions – Foreign Currency Payment

---

For securities eligible for foreign currency payment, an additional feature of the foreign currency payment service allows participants to create and update standing instructions to receive foreign currency at either the individual CUSIP level or the participant-account level (a.k.a. global level).

## How It Works

Foreign currency payment standing instructions with applicable wire instructions can be applied and updated in CA Web. Standing instructions in place prior to a cash distribution event's record date will be automatically applied the day after record date. It is important to note that other activity such as fails, stock loans, and repos will remain in the USD option and will not be included in your standing instruction moves. Standing instructions for foreign currency payment have no bearing on TaxRelief<sup>SM</sup> instructions; hence, TaxRelief<sup>SM</sup> instructions are still required even if standing instructions for foreign currency payment are in place.

## Optional Dividends

---

On selected Distribution events, the issuer gives the holder several distribution options such as receiving the distribution in the form of cash, stock, or a combination of both. DTC receives event information from agents detailing the available options and deadlines for submitting instructions. Absent an instruction, the participant will receive the event's default. All relevant information is passed on to you via Important Notices available on our Web site at <http://www.dtcc.com/legal/important-notices.aspx> and via CA Web and ISO 20022 messaging.

---

## Distribution of Rights

---

### Canadian Rights

In most cases, Canadian rights offerings cannot be subscribed for by U.S. entities. Instead, the rights agent will attempt to sell the rights, on a best effort basis, and remit any cash proceeds to DTC. If physical rights are mailed to DTC, see Rights Exited by DTC. Rights not issued to shareholders whose recorded address is in the U.S. are held by the rights agent.

### Canadian Rights Release Requests

If permitted by the rights agent, a portion or all of your rights entitlements will be released to you or your designated party in Canada. DTC will issue an Important Notice (available on our Web site at <http://www.dtcc.com/legal/important-notices.aspx>) instructing you to advise us of the number of rights you request to be released in Canada. When we receive your instructions, we will forward them on to the respective agent. Once the agent provides their acceptance of your release request, DTC will make the appropriate adjustment to your account to reflect the number of rights released to you or your designated party in Canada.

For release of Canadian rights, DTC must receive your instructions by the date specified in the Important Notice. All rights release-requests must be submitted on your company's letterhead which, among other things, must include your firm's brick and mortar address. You can fax the release request to DTC's Stock Dividend Processing staff at the fax number noted in the Important Notice. As an alternative to fax, participants can email their release instructions to DTC's Stock Dividends Processing mailbox at [stockdividendprocessing@dtcc.com](mailto:stockdividendprocessing@dtcc.com). After transmitting the fax or emailing your release instructions, you must contact DTC's Stock Dividends Processing department at the telephone numbers indicated in the Important Notice to verify that we have received your release request.

The following information must be included in your release request:

- Your participant number
- Security name
- Quantity of rights you are requesting for release
- CUSIP number
- Record date
- Who the rights should be released to
- The mailing address to where the rights should be mailed
- Authorizing name and signature
- Contact name and phone number
- Signature guaranty (medallion stamp)
- Indemnity

**Note:** DTC will forward the request to the rights agent. However, it is your responsibility to contact the rights agent to make arrangements for delivery of the rights.

## Proceeds From Sale of Unreleased Rights

If the agent indicates to DTC that all unreleased rights will be sold on a best effort basis, DTC will authorize the rights agent to sell all unreleased rights. If the agent remits proceeds to DTC from the sale of the unexercised rights, DTC allocates the proceeds to your account as a Redemption of Rights event type. You must check the Dividend/Reorganization Cash Settlement list SMART/Search report, or use the Entitlement function of the CA Web, to verify that the activity was properly processed and recorded.

## Rights Exited by DTC

If DTC's Reorganization department cannot handle the subscription of rights on your behalf, DTC will exit the rights to you. DTC will notify you via a PTS/PBS broadcast and an Important Notice as to the date and time the rights will be available for pick-up. Important Notices are available on the DTC website at <http://www.dtcc.com/legal/important-notices.aspx>.

**Warning!** You must notify DTC, prior to the expiration date, if you have not received your rights.

## Special Circumstances

Occasionally, rights are mailed directly to you by the issuing company or its information or subscription agent. This happens when the issuer decides to ensure that all rights material is forwarded directly to you.

In these cases, the issuer or trustee requests one of the following:

- A Security Position listing from DTC's Reorganization Proxy department
- An RDP Name and Address Nominal list from DTC's Stock Dividend department

DTC issues an Important Notice, notifying you that the rights will not be handled by DTC and will be mailed directly to you by the issuer. Important Notices are available on our Web site at <http://www.dtcc.com/legal/important-notices.aspx>.

**Note:** It is important that you notify DTC of any name or address changes that could affect the accurate delivery of the rights.

## Associated Rights Functions

The following functions are used in association with Rights Distribution:

Use this function	To
RIPS	View rights subscription terms (such as expiration date) and appropriate reorganization contact.
PSOP	Exercise rights.
CA Web (DIVA)	View Announcement information related to a rights offering.
ART (Settlement Web)	View your positions and activity adjustments.



## Cash-in-Lieu (CIL)/Roundup

The CIL/Roundup service allows you to elect to receive all or part of your whole security allocation entitlement in cash *or* receive additional securities. Use CA Web to make cash-in-lieu or roundup elections.

For example, you have 100 shares of XYZ security, and a stock distribution takes place. The distribution rate is 18.2 percent. Your stock entitlement would be 18.2 shares. You will receive 18 whole shares and a cash-in-lieu amount for the 2/10 share. You can elect to have a portion or all of the 18 shares liquidated for cash-in-lieu based on the aggregate fractional entitlements for all your beneficial owners. Your full share entitlement will be reduced for the number of whole shares you elect to liquidate on the beneficial owners' behalf.

**Note:** The issuer and/or the transfer or paying agent determines how fractional entitlements will be handled. Examples of different types of fractional payouts are as follows:

- Cash-in-lieu to the beneficial owner
- All fractional shares rounded up (.01 and above)
- Fractional shares rounded up (.50 and above)

### Benefits of Using CIL/Roundup

The benefits of using the CIL/Roundup service are:

- Trade processing and time-associated savings by having the agent sell shares on your behalf
- The ability to obtain additional shares to accommodate your beneficial owner entitlement if the beneficial owners are entitled to fractional amounts on the roundup service feature
- Reduced market exposure when the published cash-in-lieu price is above the current market price

## U.S. Tax Withholding

The U.S. Tax Withholding service (UTW) is available to non-U.S. participants.

To the extent allowable under U.S. federal income tax laws, UTW allows qualified intermediaries to submit withholding instructions to DTC on U.S. source income payments.

A qualified intermediary (QI) is any non-U.S. intermediary (or non-US branch of a U.S. intermediary) that has entered into a qualified intermediary withholding agreement with the IRS. Non-qualified intermediaries (NQIs) cannot make elections to secure reductions in applicable maximum statutory withholding rates. All U.S. source payments made to NQI participants will be withheld at the maximum statutory rate. A non-U.S. participant with a direct account at DTC that has provided a Form W-8BEN-E may be paid at a reduced rate of withholding depending on the certifications associated with the tax form.

## Foreign Account Tax Compliance Act (“FATCA”) Requirements

DTC’s Rules generally require that any DTC Participant (or applicant) that is treated as a non-U.S. entity for U.S. federal income tax purposes, must be FATCA compliant as set forth in DTC Rule 2.

### How it Works

As a U.S. tax withholding agent, DTC:

- Provides certain users of the service with access to the U.S. Tax Withholding menu item on the CA Web
- Notifies non-U.S. participants of taxable events
- Informs QI users of the "instruction window" during which they must send withholding rate instructions to the depository; the instruction window generally extends from one day after the record date ("record date +1") to one day before the payable date ("payable date -1")
- Pays U.S. source income to non-U.S. participants on the payable date, net of appropriate withholding tax
- Issues settlement statements that will reflect the gross dividend amount, tax amounts withheld at each designated rate and net dividends paid
- Remits tax funds to the IRS on a quarter-monthly schedule
- Prepares and sends the appropriate year-end 1042-S tax forms to non-U.S. participants

### Legal Considerations

Users must submit to DTC the applicable IRS tax forms. These tax forms are available on the IRS website at <http://www.irs.gov/>

To the extent the IRS modifies or substitutes such forms, Users may be required to submit such modified or substitute forms to replace the forms already provided to DTC. The decision to impose a requirement to replace forms will be at the sole discretions of DTC subject to the relevant tax laws.

Every non-U.S. entity seeking membership in the depository must complete a valid W-8 form. The form must be (1) valid for the type of entity; (2) filled out completely; and (3) signed by an authorized signatory of the entity. Forms may expire after 3 years at which time DTC will solicit a new form. Each entity having a deposit in the DTC Participants Fund must submit a W-8BEN-E. U.S. branches of foreign banks must also submit the appropriate W-8 form.

---

## Direct Payment Service

---

DTC offers non-U.S. participants organized and resident in the same foreign jurisdiction as the issuer of securities the option of receiving dividend, interest, and principal payments in their home currency, outside of DTC. This service is applicable to issues for which a foreign currency option was not established at initial issuance.

### How It Works

In order for an issue to be eligible for the direct payment service, DTC, DTC's participant, the issuer and transfer agent must agree to the arrangement and the issuer must certify that the income generated by the security is not US-source income, in order to assure U.S. withholding tax requirements do not apply.

Participants may elect to receive foreign currency directly from the issuer via CA Web. The election will include the payment instructions to the issuer and transfer agent to enable them to make payment directly to the non-U.S. DTC participant, outside of DTC.

### Benefits of Using the Direct Payment Service

The Direct Payment Service eliminates the inefficiencies, cost and risk associated with the physical movement of securities that would be necessary to accomplish payment in the currency of the foreign jurisdiction in which the issuer and payee both reside.

## ENTITLEMENTS/ALLOCATIONS

### About Entitlements/Allocations

DTC allocates cash and stock distributions to participants. This includes both credits and debits. In addition, DTC:

- Calculates cash or stock entitlements for each Announcement once rate and/or price information becomes available
- Distributes information on upcoming distribution events online and in electronic form such as payable dates and amount or quantity
- Reports on allocated items online and in electronic format during the processing day and at end-of-day
- Generates refunds to you for funds that were allocated after DTC received payment

### Distribution Events Entitled Positions

Participants can obtain their closing securities position and subsequent tracking and entitlements for distributions events via the following: CCF file formats, CA Web, SMART/Search and ISO20022. The record date position information is delivered on a nightly basis via ISO 20022 and CCF file formats. Online views of this information are available on CA Web and SMART/Search. The following information is available on all of the aforementioned delivery mechanisms:

- Your position captured on the record date or New York City record date
- The rate per share or the interest rate
- The calculated dollar amount or share amount for each record
- Adjustments to previously announced record date positions, including interim deliver order (DO) activity
- Stock Loan and REPO position activity
- Fail tracking adjustments to previously announced record date positions
- Event revisions and updates
- Principal factors are available and reported when the factor has been updated

**Note:** It is the participant's responsibility, under DTC's Rules and Procedures, to verify the accuracy of this Announcement information. Any discrepancy between your records and this information must be reported to DTC as soon as possible.

## Position Adjustment for Reduction of Payment on Treasury Shares or Repurchased Debt Securities (for Record Date Distributions)

---

To the extent that a participant is holding treasury shares or repurchased debt securities (i.e., issuer buyback) on the record date for a cash or stock dividend or interest payment, the participant may not be entitled to the distribution. The participant must utilize the position adjustment tool in CA Web to reduce its record date position of the subject CUSIP by the amount of the treasury or repurchased securities, so that it will not be funded on payable date for such securities. Position adjustments through CA Web must be made no later than two business days prior to payable date. On or after the business day prior to payable date, the adjustment will need to be manually processed, as further described in the Operational Arrangements, and the participant will be subject to an additional fee.

## Interim Accounting

---

### Overview

Interim accounting is an important part of the entitlements and allocations process for distributions. The interim period (also referred to as the due bill period) is the period during which a settling trade has due bills attached to it. A due bill is an indication of a seller's obligation to deliver a pending distribution (such as a cash dividend, stock dividend, interest payment, etc.) to the buyer in a securities transaction. For distributions that are the subject of a due bill, the interim period, extends from the Interim Accounting Start Date (record date +1) up to the Due Bill Redemption Date (typically ex-date for equities and payable date -1 for debt).

### Reasons for Interim Accounting

Normally, the registered holder of a security on the close of business on the record date is entitled to the distribution. There are times, however, when that is not the case. There are two common reasons why this occurs:

1. **Listed Exchange Declares a Late/Irregular Ex-Date:** There are times for equity issues when the listed exchange will declare an ex-date that is not equal to the record date (for example, an ex-date that equals payable date +1). At such times, a buyer is entitled to the distribution when the registered holder of an equity issue sells the security prior to the ex-date.
2. For most bonds, the buyer of the security is entitled to the interest payment (the distribution) on trades that settle up to, including the day before, the payable date, even though the buyer is not the record date holder.

### Without DTC's Interim Accounting

Trades that settle after the record date "with distribution," (thus entitling the buyer to the distribution,) will have a due bill attached to them (meaning, the seller owes the buyer the distribution). Without DTC's interim accounting process, the distribution will need to be handled between the seller and the buyer outside of DTC's distribution processing service, potentially in the form of a payment order, wire or postdated check equal to the amount of the distribution.

## With DTC's Interim Accounting

With DTC's interim accounting process, during the due-bill period, DTC:

- tracks all settled activity, where the receiver (typically a buyer) is entitled to a distribution; and
- adjusts Participants' record date positions, crediting the receiver (typically a buyer) and debiting the deliverer (typically a seller) the distribution amount.

This process helps ensure accurate payment on the payable date and eliminates time-consuming, costly paper processing.

**Important Note:** The physical movement of securities (such as, deposits, withdrawals-by-transfer (WTs) and certificates-on-demand (CODs)) are not transactions that are included in the interim accounting process; thus, they do not result in adjustments between Participants.

## Interim Accounting Usage

Activation of DTC's interim accounting process depends on the type of distribution. The following table describes the conditions under which interim accounting occurs:

For	Interim accounting is used
Cash dividends	When the ex-date is not equal to record date, and DTC is aware of the ex-date prior to the payable date. In this case, the interim period runs from record date +1 through close of business on ex-date.
Stock distributions	A stock distribution with an ex-date that is not equal to record date. In this case, the interim period runs from record date +1 through close of business on ex-date. <b>Note:</b> Stock splits are allocated to your general free and pledged accounts on the business day following the close of the due bill period. Shares allocated to the pledged account automatically become additional collateral for the loan.
Rights	When the ex-date is not equal to record date, and there is adequate time for you to submit your rights instructions to DTC for presentation to the paying agent prior to the expiration date. In this case, the interim period runs from record date +1 through close of business on ex-date. <b>Note:</b> If there is not adequate time for you to submit your rights instructions to DTC for presentation to the paying agent prior to the expiration date, DTC will credit your account based on your record date position. You must settle due bills outside DTC's Distribution event processing service.
Corporate bonds, CDs, and government bond interest	Because the majority of these settle with interest up to the business day before the payable date. In this case, the interim period runs from record date +1 through payable date -1.

For	Interim accounting is used
Asset-backed securities (ABS)	<p>As dictated by the issuer's accrual period. For example, if the accrual period ends after the record date and before the payable date, the interim period runs from record date +1 through the end of the accrual period.</p> <p>Note: If the accrual period ends prior to the record date, DTC will not run interim or run "reverse" interim (reverse due bill).</p>
Supplemental due bills	<p>For special large cash dividends, when the ex-date is the day after the announced payable date. In this case:</p> <p style="padding-left: 20px;">The interim period runs from record date +1 through payable date -1</p> <p style="padding-left: 20px;">Allocation is made on payable date, and</p> <p style="padding-left: 20px;">Interim accounting starts again on the payable date and continues on a daily basis through ex-date. Allocation is made on the business day following the day of delivery by crediting the money settlement account of the receiver and debiting the money settlement account of the deliverer.</p>

### Interim Accounting for an Ex-Date Change Due to Unscheduled Closing of a Stock Exchange

Occasionally, there is an unscheduled closing of one or more stock exchanges (for example, a national day of mourning, an event causing significant market disruption or regional impact, etc.). During an unscheduled closing, a listed exchange will typically move ex-dates that were scheduled for that date to the next business day that the exchange is open, which is usually the record date. Such a move is necessary because, according to exchange rules, ex-dates must occur on a business day that the listed exchange is open.

Because no trading is expected in the impacted securities on the date the listed exchange is closed, there should not be any due bill activity that needs to be tracked. Thus, DTC will not capture interim activity for the related period. For example, if a cash dividend had an ex-date of June 3 and record date of June 3, the standard practice is for DTC to not capture any interim activity, as the ex-date is equal to record date. However, if the listed exchange changes the ex-date to June 4, due to an unscheduled closure on June 3, resulting in an ex-date of record date +1, DTC still would not apply interim accounting because there should not have been any trades on June 3 that resulted in due bill activity.

### Interim Accounting on a Security being Delisted

Listed exchanges are often unable to announce an ex-date that is on or after the date the corresponding security is being delisted. In these instances, if the listed exchange does not declare an ex-date, but it provides direction that trades in that security up to a specified date include the distribution, then DTC will capture interim accounting based on the exchange's direction.

**Note:** If a corporate action event (e.g., a merger) would occur during an interim period, special processing arrangements with the industry may be required.

## New York City Record Date Mini-Interim

The Industry standard for dividend cutoff days is a maximum of two business days prior to the out-of-town record date. (DTC refers to this as the New York equivalent record date.)

Mini-interim accounting was developed to allow DTC to meet the record date deadlines when the transfer agent (TA) is located outside of New York City. Mini-interim is set up at the start of business on the first business day after the New York equivalent record date and closes at the end of business on the actual record date.

Deposits and WTs processed during the mini-interim period do not affect your position for dividend allocations. If you make a rush withdrawal-by-transfer (RWT) during the mini-interim period, your position for dividend or interest allocation is reduced. You must submit a formal claim for any dividend or interest involving certificates withdrawn as RWTs during this mini-interim period. See Claims.

Dividend allocation is made to your position based on the New York equivalent record date position, updated to include any deliver orders movements that were made up to and including the actual record date.

## Participant Deposits Missing Transfer

When participant deposits of registered securities are submitted by DTC to the transfer agent (TA) on or before record date for transfer into DTC's nominee name Cede & Co., and are not transferred in time to meet the record date deadline, upon request, DTC will send the registered holder or first guarantor copies of the affected certificates in a secured pdf file via email as notification of a pending adjustment or charge-back.

DTC proactively monitors deposits made before the record date, which remain un-transferred by the record date, so it can determine if adjustments to your record date position are required, and attempts to do so on or prior to the payable date. For transactions not identified in time, the following timetable applies to adjustments:

- **Where the missed-transfer is identified within 30 days of the original allocation:** the claim is sent to participants three days before DTC processes a charge to the participant's account.
- **Where the missed-transfer is identified beyond 30 days of the original allocation:** the claim is sent to participants five days before DTC processes a charge to the participant's account.

## Participant Withdrawal-by-Transfer (WT) Missing Transfer

When your withdrawal-by-transfer (WT) instructions are submitted by DTC to the TA on or before the record date for transfer into your name or your customer's name, and are not transferred in time to meet the record date deadline, DTC will credit your DTC account with the appropriate dividend/interest payment.

Just as with deposit activities, DTC monitors WT requests that remain un-transferred by the record date, and attempts to adjust your record date position, as necessary, on or prior to the payable date. For transactions not identified in time, DTC will provide you with advance notification before processing a credit to your account.



## Allocations

Allocations can be divided into two groups: cash distributions and stock distributions.

### Cash Distributions

Funds from agents/issuers received by 3:00 p.m. with corresponding CUSIP-level identification information are generally allocated upon receipt, beginning at 8:20 a.m. Eastern Time and continuing every 20 minutes. Funds received after the cutoff are allocated the following morning.

Also, from time to time DTC may determine that a payment received by you or your customer directly from the paying agent was rightfully due DTC. In this case, DTC may, in accordance with established procedures, charge your account for the amount of the improper payment.

### Cash Distributions for MMI Issues

DTC distributes income payments for various MMIs, including Medium Term Notes (MTNs). MMI income payments (Income Presentments) are not attempted for processing until the issuer's issuing and paying agent (IPA) makes a funding decision in the form of an "MMI Funding Acknowledgment". Once a funding decision is made items will be processed subject to risk controls and the sufficient inventory of the relevant Participants. See the DTC Settlement Service Guide, available at <http://www.dtcc.com/~media/Files/Downloads/legal/service-guides/Settlement.pdf>, for the DTC Procedures relating to the MMI settlement processing.

### Dividend Cash Settlement Reporting

The Dividend Cash Settlement Reporting feature notifies you of cash dividend, periodic principal, and interest payments. Reporting is available in various forms. ISO 20022, CCF file format and SMART/Search reports are created daily throughout the day and at end of day. The ISO 20022 transmission is also available in real time throughout the day via SMART MQ, SWIFT Interact Store and Forward or in end of day slices via NDM, FTP or FileAct for SWIFT. The Dividend/Cash Settlement Reporting contains the following categories:

- Cash dividends
- Units
- Pass-through payments (CMO/ABS)
- Corporate bonds
- Municipal bonds
- Stock distributions
- Miscellaneous payments and charges
- Claims and reversals
- Securities not allocated that day

## Stock Distributions

Stock Distribution events such as stock dividends, splits, and spinoffs are allocated on the ex-date +2 or the payable date, whichever comes later once DTC receives the securities. Your DTC position is increased in the security for which the distribution was declared, or in securities of another issue resulting from a spinoff or rights distribution event. Typically, cash is paid in lieu of fractional shares.

The allocation of stock distributions depends on the type of distribution being allocated. The following table describes stock distributions:

<b>For this type of distribution</b>	<b>Allocation normally occurs</b>
Stock dividends, regular trading	On the morning of the payable date.
Stock dividends with a late ex-date	On the payable date or ex-date +1, whichever comes later.
Stock splits, with ex-distribution beginning on the business day following the payable date	For the split shares on ex-date +1.
Stock spinoffs to a DTC-eligible security	On the payable date, or ex-date +1, whichever comes later.
Stock spinoffs to an ineligible security*	When the security becomes DTC-eligible, or else exited upon receipt.
Rights	As soon as possible after the record date to allow for adequate execution time frames.
Dividend reinvestment securities	On the first business day after the price is received from the agent.

\* DTC allocates the appropriate share entitlement to the spinoff security's assigned CUSIP or to a contra-CUSIP (when there is no available CUSIP for the distribution shares or the distribution shares are not eligible for DTC services). These shares are initially chilled for all DTC activity (for example, deposits, WTs, DOs, CODs) until DTC exits the ineligible security to you. On the exit date, the chill is lifted for CODs, position is taken away from your account, and you are responsible for picking up the ineligible securities at DTC's Central Delivery Department, 570 Washington Blvd., Jersey City, NJ 07310.

If you are outside of the New York City metropolitan region, you need not pick up securities from the delivery window; DTC will arrange for the delivery of the securities to you.

### ***Fractions of Stock Distributions***

Fractions resulting from stock distributions are either dropped, rounded up, or paid as cash (cash-in-lieu). DTC makes every effort to obtain rounded shares or cash-in-lieu to the beneficial owner level. In instances where the agent or issuer agrees to round fractional shares or cash in lieu at the beneficial owner level, participants have the ability via CA Web to enter the number of round-up shares required for round-up situations, or the number of shares to be liquidated for cash-in-lieu situations.

**Note:** Cash-in-lieu and round up shares are distributed in the following ways:

- Cash-in-lieu at the DTC participant level: upon receipt of the cash-in-lieu price but no earlier than the payable date +1
- Cash-in-lieu at the beneficial owner (the DTC participant's customer) level: upon DTC's receipt of the funds from the paying agent but no earlier than payable date +1
- Round up shares at the DTC participant level: upon allocation date
- Round up shares at the beneficial owner (the DTC participant's customer) level: upon DTC's receipt of the additional round up shares from the paying agent but no earlier than the allocation date

## ADJUSTMENTS

### Overview

Adjustments are all entitlement/allocation activity that is outside the traditional pay date allocations. This includes all post allocation rate adjustments, and any activity tracking for stock loans, repos and due bill fail tracking.

### About Charge-Backs and Adjustments

DTC has a standing practice to only allocate monies upon receipt from the paying agent, trustee and/or issuer. On occasion, after crediting participants with a dividend, principal, or interest payment, DTC may have to create a post allocation rate change which may result in either additional credit or a debit to your account. Reasons to this include but are not limited to, an error on the part of DTC, the paying agent, trustee or issuer or a change in the principal factor or rate on a security.

DTC accommodates paying agent requests to process these types of post-payable adjustments when: (i) for a credit adjustment, the request for the adjustment and the associated funds are received within one calendar year from the initial payment date, or (ii) for any other adjustments (including a debit-only or the debit portion of a debit-and-credit adjustment), the request for the adjustment is received within 90 calendar days from the initial payment date. These adjustments can be viewed using CA Web, ISO 20022 messages and CCF file formats.

### Reasons for Charge-Backs and Adjustments

The following are conditions under which DTC processes charge-backs:

#### **Return of Funds to Paying Agents**

In the event of a rate change that results in the participant being over allocated, DTC will charge back the participant's account and return the collected funds to the paying agent.

#### **Adjustments Resulting from Changes to Rates, Record Dates, or Payable Dates**

Occasionally, there is a need to process post-allocation adjustments to correct a rate, record date, or a payable date.

- **Where the adjustment is identified within 30 days of the original allocation:** DTC will provide participants with one day advance notification before processing the adjustment to participants' accounts.
- **Where the adjustment is identified beyond 30 days of the original allocation:** DTC will provide participants with three days advance notification before processing the adjustment to participants' accounts.

---

## Due Bill Fail Tracking System

---

### About Due Bill Fail Tracking

The Due Bill Fail Tracking system relieves you of the time-consuming process of issuing and redeeming due bills by facilitating the settlement of due bills on failed deliver orders (DOs).

A failed DO is one which was originally scheduled to settle on or before the record date, but instead settled after the record date. Fails sometimes result in buyers not receiving a dividend or interest payment to which they are entitled. Previously such deliveries were made with a due bill attached, and handled outside of DTC between the delivering and contra parties. A due bill is an agreement that the seller will pay the dividend or interest to the bearer (the buyer) upon the actual settlement of the transaction.

### How Due Bill Fail Tracking Works

Due Bill Fail Tracking:

- Monitors all DO activity, comparing the trade settlement date of the DO with the actual settlement date of the DO
- For failed DO activities, the security is compared versus active DTC Distribution events
- Automatically generates cash and stock dividend adjustments for any failed DO requiring a due bill except for REPO, stock loan, Continuous Net Settlement (CNS), free and inter-depository deliveries

On the payable date, or on the day following the settlement of the trade at DTC (whichever is later), the seller receives a debit for the income due and the buyer receives a credit.

### Important Notes

The following notes apply to DTC's Due Bill Fail Tracking process:

- If you are a delivering participant, you can elect to remove a delivery from Due Bill Fail Tracking by entering an "N" in the Due Bill field on the DO
- Due Bill Fail Tracking does not monitor stock splits, , or optional dividend payments

---

## Monitoring Period

---

The monitoring period for failed transactions is:

- 18 months from the payable date for corporate and municipal debt issues
- 30 days from the payable date for equity issues

Fail monitoring begins on:

- The day following the record date for all Announcements that are not subject to interim accounting
- The day following the end of the interim period for Announcements with interim accounting

---

## About Paired Transactions

---

Pairing occurs when two DOs contain the same CUSIP, quantity (original face value), trade settlement date, and settlement dollar value, and the delivering and contra-participants are reversed. DTC does not process debit and credit adjustments for settlement when underlying DOs are paired. This eliminates redundant debit and credit adjustments that net to zero.

**Note:** Although paired transactions are not passed to settlement, you can view these items on CA Web and PTS/PBS for historical items. Paired adjustments are identified as such within the adjustment details of the relevant event record.

---

## Adjustments Processing

---

You will receive adjustments on the payable date or on the day following the failed delivery, whichever is later. You can view settled fail adjustments via CA Web, PTS/PBS for historical purposes, CCF file formats, using ISO 20022 and SMART/Search ("Miscellaneous Payments/Charges"). Both credit and debit adjustments that are attributable to non-US sourced distributions may be processed at a rate other than the gross distribution rate.

### Tax Treatment

DTC performs the appropriate U.S. tax withholding and information reporting for credit adjustments that are settled with non-US participants and for Tax Events if a non-U.S. participant is failing to receive a DO over a position capture date. See [U.S. Tax Withholding](#) and [Tax Event Announcements](#) sections for more information.

## Stock Loan Income Tracking System

### About Stock Loan Income Tracking

In a stock loan agreement, the lender of the security is entitled to recover from the borrower any income distributions paid on the loaned security. The Stock Loan Income Tracking System allows DTC to track the lender's (deliverer's) position on these securities.

### How Stock Loan Income Tracking Works

The Stock Loan Income Tracking System tracks deliver orders (DOs) with certain reason codes (codes 10–29) and adjusts your position accordingly. When a stock loan DO is created, the lender receives a stock loan long position and the borrower receives a stock loan short position on the security. If you hold a long stock loan net position, you receive credit adjustments on the payable date for periodic income distributions. If you have a short stock loan net position, you receive debit adjustments on the payable date.

Both credit and debit adjustments that are attributable to non-US sourced periodic income distributions may be processed at a rate other than the gross distribution rate. If you have stock loan agreements that provide for a different amount, you and the contra-participant must settle the difference outside DTC or as described below under “Correcting P&I Payments on Stock Loan Positions”).

**Note:** DTC is not acting as an agent or on behalf of, either the borrower or lender. The Stock Loan Income Tracking System is intended to be a system that allows borrower and lenders that have entered into stock loans to efficiently adjust their relevant positions and cause the necessary credit and debit adjustments

### Payments That Are Not Tracked

The Stock Loan Income Tracking System tracks cash dividend and interest payments. The following are not tracked:

- Stock dividends
- Rights distributions
- Optional dividends
- Spinoffs

**Note:** Lending participants who do not have shares in their free account cannot perform elections on stock loan positions on Distribution events.

### Viewing Stock Loan Activity and Positions

You can view pending and past adjustments for a period of seven business days *before* through seven business days *after* the payable date via the CA Web Allocations and Adjustments functionalities as well as ISO 20022 messaging. You can also view scheduled adjustments for the current payable date via the Adjustments and Entitlements functionalities of CA Web. You can view positions including contra-party details and adjustments via CA Web’s Entitlements and Adjustments functionalities, respectively.

## Correcting P & I Payments on Stock Loan Positions

To modify a tracked adjustment on a stock loan position, parties to the loan can post claims against each other and then track the claims via DTC's ClaimConnect™ service. ClaimConnect is an optional service available to all Participants. The service enables Participants to bilaterally match and settle claim transactions in one centralized location. For more information on ClaimConnect and how to use the service, please see the ClaimConnect Service Guide, available at [www.dtcc.com](http://www.dtcc.com).

**Warning!** For payments that are settled outside of DTC's Stock Loan Income Tracking System, both parties to the stock loan transaction are responsible for settling the payment outside of DTC's Stock Loan Income Tracking System. The parties to the stock loan transaction are responsible for performing the appropriate U.S. tax withholding and information reporting. DTC is not responsible for processing further entries on that specific distribution nor is DTC responsible for performing the appropriate U.S. tax withholding or information reporting with respect to those stock loan transactions that are settled outside of DTC's Stock Loan Income Tracking System.

## Tax Treatment

DTC performs the appropriate U.S. tax withholding and information reporting for credit adjustments that are settled with non-U.S. participants and for Tax Events if a non-U.S. participant has a stock loan long position on position capture date. See the [U.S. Tax Withholding](#) and [Tax Event Announcements](#) sections for more information. As stated above, DTC is not acting as an agent or on behalf of, either the borrower or lender. Accordingly, any non-U.S. tax withholding, remittance, or information reporting obligations in respect of payments that are tracked through the Stock Loan Income Tracking service or any subsequent adjustments are the responsibility of the DTC participants that are privy to the terms of the stock loan agreements.

## Repurchase Agreement (REPO) Tracking System

### About the Product

A repurchase agreement (REPO) is an agreement between two parties that allows the seller of securities to later repurchase them at an agreed-upon price. The seller usually retains the right to periodic income distributions. However, since the securities won't reside in the seller's account on record date, the seller would not be credited the periodic principal and income distributions paid on the securities. To recover these entitlements, the seller has to claim the REPO buyer. DTC's REPO Tracking System (RTS) automates claims of these entitlements by tracking the REPO transactions (deliveries) and adjusting the entitlement payments accordingly on payable date.

### How the Product Works

Deliver orders (DOs) are tracked with REPO reason codes (codes 220–228 and 230–238) and create memo positions for the REPO amount. The deliverer (seller) of a REPO receives a long REPO position, and the receiver (buyer) receives a short REPO position.

If you hold a long REPO net position, you will receive a credit adjustment on the payable date for any periodic principal and income distributions. If you have a short REPO net position, you will receive a debit adjustment on the payable date.



Both credit and debit adjustments that are attributable to non-US sourced periodic income distributions may be processed at a rate other than the gross distribution rate. If you have REPO agreements that provide for a different amount, you and the contra-participant must settle the difference outside DTC or for more information refer to “[Correcting REPO Positions](#)” below.

**Note:** DTC is not acting as an agent or on behalf of, either the buyer or the seller. The Repo Tracking System is intended to be a system that allows buyers and sellers that have entered into REPO transactions to efficiently adjust their relevant positions and cause the necessary credit and debit adjustments

## Viewing REPO Activity and Positions

You can view pending and past adjustments for a period of seven business days *before* through seven business days *after* the payable date via the CA Web Allocations and Adjustments functionalities, as well as ISO 20022 messaging. You can also view scheduled adjustments for the current payable date via the Adjustments and Entitlements functionalities of CA Web, and cancel (as the REPO buyer) adjustments to be credited to the REPO seller before 2:00 p.m. Eastern Time if you are authorized for the PIAC sub-function. You can also view positions including contra-party details and adjustments via the CA Web’s Entitlements and Adjustments functionalities, respectively.

## Correcting REPO Positions

To modify a tracked adjustment on a REPO position, parties to the REPO can post claims against each other and then track the claims via DTC’s ClaimConnect™ service. ClaimConnect is an optional service available to all Participants. The service enables Participants to bilaterally match and settle claim transactions in one centralized location. For more information on ClaimConnect and how to use the service, please see the ClaimConnect Service Guide, available at [www.dtcc.com](http://www.dtcc.com).

## Tax Treatment

DTC performs the appropriate U.S. tax withholding and information reporting for credit adjustments that are settled with non-U.S. participants and for Tax Events if a non-U.S. participant has a long REPO position on position capture date. See the [U.S. Tax Withholding](#) and [Tax Event Announcements](#) sections for more information. As stated above, DTC is not acting as an agent or on behalf of, either the buyer or the seller. Accordingly, any non-U.S. tax withholding, remittance, or information reporting obligations in respect of payments that are tracked through the REPO Tracking System are the responsibility of the DTC participants that are privy to the terms of the REPO agreements.

## OTHER SERVICES

### Coupon Collection Service (CCS)

DTC's Coupon Collection Service (CCS) provides you with one central location for submitting coupons and one central source of payments. This saves you from having to deal with thousands of municipalities and paying agents for the collection of bearer municipal interest. Interest is paid directly to you from DTC in a timely manner.

#### Collection Outside of New York Metropolitan Area

DTC handles collections outside of the New York metropolitan area in one of two ways:

- For coupons deposited at least eight business days prior to the payable date, DTC credits you with the interest on the payable date
- For coupons deposited less than eight business days prior to the payable date, DTC credits you with the interest ten business days after the date of deposit

#### Collection Within the New York Metropolitan Area

DTC handles collections within the New York metropolitan area in one of two ways:

- For coupons deposited at least five business days prior to the payable date, DTC credits you with the interest on the payable date
- For coupons deposited less than five business days prior to the payable date, DTC credits you with the interest ten business days after the date of deposit

#### Past Due Coupons

DTC handles collections for past due coupons in one of two ways:

- For collection outside New York City, DTC credits you with the interest ten business days after the date of deposit
- For collection within New York City, DTC credits you with the interest seven business days after the date of deposit

Information regarding credits to your account resulting from coupon collections can be obtained via CA Web, ISO 20022 messaging, PTS/PBS and CCF file formats.

## CMO Trade Adjustments System (CTAS)

### About Collateralized Mortgage Obligation (CMO) Trade Adjustments

DTC's CMO Trade Adjustments System (CTAS) automates principal and interest adjustments for certain CMO and other asset-backed securities (ABS) that settle at DTC between the accrual end date (beneficiary date) and the corresponding payable date.

### Relevant Terms

The following important terms are relevant to CTAS processing:

Glossary Term	Definition
Actual coupon rate	The coupon rate applicable to that trade's blackout period for variable rate issues.
Actual factor or trade factor	The factor applicable to a trade's blackout period.
Amortized	A loan in the process of liquidation via installment payments.
Blackout period or delay period	The period where cash flow from one accrual period is not available or passed through until the next period.
Estimated factor	A value substituted for the true factor when the true factor is not yet public. This is usually the last known factor, and is needed to determine the dollar value of a trade that takes place during the delay period.
Latest coupon rate	The last known coupon rate received after the first adjustment for variable rate issues.
Trade coupon	The coupon rate used to consummate the trade for variable rate issues.
True factor or principal factor	The actual amount of principal remaining on the mortgages underlying the CMO/ABS. This is used to compute the amortized value.

### About CMOs

Since CMOs are mortgage-backed securities, the outstanding principal amount of a CMO is reduced by the amount of the underlying mortgage obligation paid and passed through as part of each periodic payment. The true factor represents the actual amount of principal remaining on the mortgages underlying the CMO.

For issues that have a delay period, the standard practice is to substitute an estimated factor (usually the last known factor) for determining the dollar value of the trade.

Note: Since the true factor is usually lower than the estimated factor, and the amortized value of the bond received is less than the value used to compute the trade, the buyer will be overpaying for the delivery. When the true factor becomes known, trades that settled based on the estimated factor must be cancelled and corrected. This results in adjusted settlements and exchanges of money.

## How CTAS Works

When DTC receives a true factor, we identify all applicable CMO and ABS DOs. We then generate cash adjustments for all trades with incorrect factors that settled during the blackout period. Participants can review pending adjustments via PTS/PBS.

**Note:** If you are the receiving participant, you have until the end of the day before the post date to delete any adjustment you feel is not due. In order to do this, however, you must have an authorized PTS/PBS user ID and password to allow you to perform CTAS updates. Contact your Relationship Manager for more information on your user ID and password.

## What CTAS Doesn't Do

CTAS debit and credit adjustments are not processed for settlement when underlying DOs are paired. Pairing occurs when two DOs contain the same CUSIP, quantity (original face value), trade settlement date, and settlement dollar value, and the delivering and contra-participants are reversed. The effect of the pairing is to eliminate superfluous debit and credit adjustments that net to zero.

**Note:** Although paired transactions are not passed to settlement, you can view them via PBS or on CTAS on PTS. Paired adjustments are identified by a “P” to the left of the **Contra-Participant** field on the Detail Display screen.

CTAS also does not process debit and credit adjustments for:

- Accreting, zero delay, or variable rate issues
- REPO DOs
- Stock loan DOs
- ACAT DOs
- Free deliveries

## Adjustments to Variable Rate Issues

Since the applicable coupon rate may not be known for several weeks after a trade, coupon adjustments to variable rate issues will be made upon receipt of the latest factor but at the last known coupon rate. At times, trades may require two coupon adjustments. Consequently, DTC will make incremental adjustments to trades as it receives revised coupon information. For example, an accrued interest adjustment may have been made for \$100 but based upon a rate revision should have been \$110. CTAS will process a second trade adjustment for \$10.00. CTAS will also allow the seller to adjust the factor and/or coupon rate at which the first CTAS adjustment was calculated by allowing the seller to type over the selected fields in PTS or PBS (variable rate issues only). This will allow for the correction of adjustments in instances where participants' traded factors and coupon rates differ from those that DTC believed them to be at the time of the trade.

## Viewing CTAS Adjustments

Adjustments are posted to your settlement account on the income payable date, or the business day following DTC's receipt of the actual factor, whichever is later. You can view each day's CMO re-factoring settlement debits and credits via:

- The CMO Trade Adjustment System Settlement Report for both the delivering and receiving participants
- The CTAS function

You can also view the original DO on the ATP History Details screen of the ART function. You can only view the adjustments where you are either the delivering or receiving party.

## Associated Functionality

The following PTS functions and CA Web functionalities are used in association with CTAS:

Function	Function Definition
ART	View activity associated with a CTAS credit or debit, for the current day and for up to 60 previous business days.
CTAS	View detailed information about CTAS adjustments.
CA Web	View details of the principal payment associated with a CTAS adjustment.
POS	View the principal factor as of any day within the previous two years for any amortizing security for which you had position.

## Refunds

If DTC receives funds from a paying agent, but is unable to distribute those funds on that day, DTC will pass through the investment income it has earned to those participants who received the associated allocation. These credits will be seen as part of your monthly bill from DTC.

In the event that a Participant is unsuccessful in collecting directly from a paying agent or an issuer a claim for compensation due, and so notifies DTC, DTC may elect to claim compensation for payments due from the Paying Agent and/or Issuer if there is a failure to pay DTC for an event on the scheduled payment date in immediately available funds. Collected compensation is passed on to participants that had position in the late-paying issue. These credits will also be seen as part of your monthly bill from DTC and statements are available on SMART/Search.

---

## Undistributed Long-Term Capital Gains

---

Under the Internal Revenue Service (IRS) regulations, total undistributed long-term capital gains from regulated investment companies (RICs) or real estate investment trusts (REITs) are required to be reported on IRS Form 2439, “Notice to Shareholder of Undistributed Long-Term Capital Gains” for each IRS Form 2439 that DTC receives from a RIC or REIT.

DTC prepares an IRS Form 2439 with a copy filed with the IRS and copies provided to its participants.

---

## Tax Form Repository

---

Beginning on June 15, 2021, to facilitate Participants’ ability to comply with tax withholding and reporting regulations relating to the disposition of partnership interests, and in furtherance of DTC’s role as a “clearing organization” in accordance with Section 1.1446(f)-4(a)(5) of the final regulations of the Internal Revenue Service, Participant tax status information (“Tax Status Information”) from the Tax Forms of Participants shall be made available to Participants in the “Instructions” tab of CA Web, within “TaxInfo, Country of Investment: United States”. Tax Status Information will no longer be available once Tax Forms become available for download from CA Web, as described below.

Beginning on or about August 31, 2021, to facilitate Participants’ ability to comply with tax withholding and reporting regulations relating to the disposition of partnership interests, and in accordance with Section 1.1446(f)-4(a)(5) of the final regulations of the Internal Revenue Service, Participant tax forms (i.e. IRS Forms W-9 and W-8) (“Tax Forms”) shall be available for Participants to view and download. Tax Forms shall be available in the “Instructions” tab of CA Web, within “TaxInfo, Country of Investment: United States.”

---

## Opt-Out

---

Effective immediately, a Participant may submit an election (“Opt-Out Election”) to DTC to opt-out of having its Tax Form and Tax Status Information posted to CA Web, by electronically submitting a form (“Opt-Out Form”) made available by DTC for this purpose. The Opt-out Form, as well as the mechanism for completing, electronically signing and submitting the form, is available at <https://na2.docusign.net/Member/PowerFormSigning.aspx?PowerFormId=854f0396-16aa-4fbb-bf67-c694274c04cf&env=na2&acct=642629e5-740a-442a-b744-d7655d9a1f21&v=2>. Any Opt-Out Election will only be considered valid if it is (i) fully completed and electronically signed by an authorized signer of the Participant using the Opt-Out Form and (ii) submitted through the mechanism made available through this link. An Opt-Out Election will become effective as of a date designated by the Participant on the Opt-Out Form. For this purpose, a Participant may designate its account activation date (for new Participants of DTC), or a future date, for its Opt-Out Election to become effective. Each Opt-Out Election will remain in place indefinitely until DTC is in receipt of a duly authorized written notice from the Participant rescinding this Opt-Out Election.

Please contact your Relationship Manager with any questions regarding Opt-Out Elections.

---

## Claims

---

### Description

Occasionally, certificates withdrawn from DTC, registered in DTC's nominee name Cede & Co., remain outstanding over the record date for a distribution. On the payable date, the issuer's paying agent remits the dividend or interest payments directly to DTC, since Cede & Co. is the registered holder on their books as of the record date. If you are holding these certificates over the record date, you can submit a claim directly to DTC's Dividend department. Claims requests can be submitted to DTC via an email to [claims@dtcc.com](mailto:claims@dtcc.com). You must state the certificate numbers of the Cede & Co. certificates in your possession for which you are making a claim.

### Validation

DTC maintains a database of all Cede & Co. certificates withdrawn by DTC participants. All claims are entered into a claim system where the certificate numbers on which your claims are based are checked against the database. If the certificate numbers are in the database and are shown to have left DTC on or before the record date, the claims are validated and you receive credit in your settlement account.

### Invalid Claims

After paying a claim, if DTC finds that the claim is invalid, the claim is reversed through the claims function; you receive a hard copy cash adjustment to notify you, and you are assessed a fee.

### Abandoned Property

Pursuant to the Abandoned Property Law, Section 303 of the State of New York, dividend or interest payments made to DTC on securities registered in the name of the depository's nominee, Cede & Co., are escheated to the state if they remain unclaimed for three years after the payable date.

If you submit DTC Dividend/Interest Claim form #5204 for any dividend or interest on securities DTC has surrendered to the state, DTC will send you a sworn affidavit stating that the dividend or interest being claimed has been paid to the state, and authorizing payment to you by the State of New York.

## The Domestic Tax Reporting Service (“DTax”)

### About DTax

The Domestic Tax Reporting Service (“DTax”) is a product offering of DTCC Solutions LLC, and while being offered through DTCC Solutions, DTax is accessible through DTC’s communications vehicles via inquiry functions on PTS and PBS.

When securities pay income, that income payment is classified for tax purposes as a particular type of income. Such income may be reclassified at the end of the year as a type of income different than originally designated. Such reclassified income can carry a different taxability characteristic than the original income announcement. When such a reclassification occurs, participants need to be aware of it so they can perform the appropriate year end information reporting DTax.

DTax provides information on securities that reclassify income after year-end. That is, an income announcement during the year may be reclassified after the end of the year into other types of income, e.g. capital gains, return of capital, etc. that attract different rates of tax than the original dividend would attract.

Many of the securities in DTax are not DTC-eligible and include such security types as open– and closed–end mutual funds, real estate investment trusts (REITs) and other securities that may reclassify income.

### Using DTax

You can use DTax to view the following:

- Securities with tax information, by CUSIP, security type, ticker symbol or description
- Details of tax classification
- Change history for a specific security
- Audit trail of changes for a specific security
- Revisions to payment information for a specific security

### Associated PTS/PBS Functions

The table below lists the PTS/PBS function you can use to access information related to Domestic Tax Reporting:

Use this function	To
DTAX	View domestic tax information.



## **DISTRIBUTIONS CONTACT NUMBER**

For more information about Distributions and any of the material covered in this guide, call DTC's Customer Help Center at (888) 382-2721 or access DTC's Web site at <http://www.dtcc.com>

## SUPPORT FOR DISTRIBUTIONS INQUIRIES

DTC provides Participants with resources for solving the day-to-day questions and/or problems associated with Distributions event processing. Common inquiries via CA Web or the [DTCC Client Center](#) include but are not limited to the categories listed below. Note that Participants can submit automated inquiries concerning specific Distribution events to DTC directly from CA Web.

Information on or questions about the accuracy of:

- Record dates
- Payable dates
- Ex dates
- Rates
- Pool factors
- Calculation methods
- Payment frequency or mode of payment
- Claims
- Adjustments
- Amount of dividend or interest paid

## **SUPPORT FOR ISO 20022 MESSAGING AND CA WEB**

DTCC's website - <http://dtcc.com/>

- The website includes extensive technical documentation such as data dictionaries and ISO 20022 specifications.

MyStandards - [https://www2.swift.com/swift/login/login\\_mystandards.html](https://www2.swift.com/swift/login/login_mystandards.html)

- The MyStandards website houses ISO 20022 schemas and usage guidelines.

Corporate Actions Web application

- Embedded within CA Web is a variety of context sensitive help modules which participants can access when needing assistance using the application's functionality. Help is offered in both text and narrated animated formats.

**APPENDIX**

## PTS/PBS CA Web Functionality Equivalents

<b>PTS Function</b>	<b>PBS Application</b>	<b>CA Web</b>
<b>ADJI</b>	Adjustment Inquiries—Cash Adjustments	Adjustments
<b>ADJI</b>	Adjustment Inquiries—Stock Adjustments	Adjustments
<b>ADJI</b>	Fail Adjustments	Adjustments
<b>BOOK</b>	Transfer Book Closing	Dashboard
<b>DAWN/1</b>	Dividend and Income—Added & Deleted Announcements	Announcements
<b>DAWN/2</b>	Dividend and Income—Rate Changes	Announcements
<b>DAWN/3</b>	Dividend and Income—Change Comments	Announcements
<b>DIVA</b>	Dividend and Income—Dividend Announcement Inquiry	Announcements
<b>DPAL</b>	Dividend Position Allocation Ledger	Entitlements
<b>DUEB</b>	Due Bill Inquiry	Dashboard
<b>EDS/1</b>	Elective Dividends—Foreign Currency Payment	Instructions
<b>EDS/2</b>	Elective Dividends—TaxRelief	Instructions
<b>EDS/3</b>	Elective Dividends—Optional Dividends	Instructions
<b>EDS/4</b>	Elective Dividends—Dividend Reinvestment	Instructions
<b>EDS/5</b>	Elective Dividends—Cash-in-lieu/Round-up	Instructions
<b>EDS/6</b>	Elective Dividends—U.S. Tax Withholding	Instructions
<b>EDS/7</b>	Elective Dividends—Multi-Currency (N/A)	(N/A)
<b>EDS/8</b>	Elective Dividends—Direct Payment	Instructions
<b>PIAR</b>	Principal and Interest Adjustments	Adjustments
<b>SDAR</b>	Reorg/Redemption/Dividend Allocations	Allocations
<b>TAXI</b>	TaxInfo	Tax Info/ Instructions

The following are common Distribution event acronyms:

<b>Acronym</b>	<b>Meaning</b>
<b>ADR</b>	American Depository Receipts
<b>ABS</b>	Asset-Backed Securities
<b>DTC</b>	Depository Trust Company
<b>CA ID</b>	Corporate Action Identifier
<b>CA Web</b>	Corporate Actions Web browser
<b>CCF</b>	Computer-to-computer Facility
<b>CIL</b>	Cash in Lieu
<b>CMO</b>	Collateralized Mortgage Obligation
<b>COD</b>	Certificate On Demand
<b>DO</b>	Deliver Order
<b>DRIP</b>	Dividend Reinvestment Program
<b>ETF</b>	Exchange-Traded Fund
<b>IPA</b>	Issuing Paying Agent
<b>ISO</b>	International Standards Organization
<b>MBS</b>	Mortgage-Backed Securities
<b>MMI</b>	Money Market Instrument
<b>MTN</b>	Medium Term Note
<b>MQ</b>	MQSeries
<b>NDM/FTP</b>	Network Data Mover/File Transfer Protocol
<b>NQI</b>	Non-Qualified Intermediaries
<b>PIK</b>	Pay In Kind
<b>PTS</b>	Participant Terminal System
<b>UIT</b>	Unit Investment Trust
<b>PBS</b>	Participant Browser Services
<b>QI</b>	Qualified Intermediary
<b>REIT</b>	Real Estate Investment Trust
<b>REPO</b>	Repo Repurchase Agreement
<b>RWT</b>	Rush Withdrawal-by-Transfer
<b>SWIFT</b>	Society for Worldwide Interbank Financial Telecommunication
<b>TA</b>	Transfer Agent
<b>VRDO</b>	Municipal Variable-Rate Demand Obligation
<b>WT</b>	Withdrawal-by-Transfer