



10/5/2009

# Roadmap for CA Announcements and Processing

A service offering of DTC and DTCC Solutions, wholly owned subsidiaries of  
The Depository Trust & Clearing Corporation



# Customer Enhancements 2009

- **Instruction Processing Enhancements**

- Incorporated cutoff times into EDS supported instructions
  - (implemented June 12, 2009)
- Standing Instructions for foreign currency and DRP Opt-outs
  - (September 30, 2009)
- EDS instruction approval process (Q4)

- **IVORS – Rate File (Implemented May 8, 2009)**

- **Survivor Options**

- Phase I (implemented March 20, 2009)
- Phase II – Paperless (in progress)
- Survivor Option Puts Simulations
  - [https://dtcc.knowledgeplanet.com/content/ss/sims/survivor\\_puts\\_sims/index.html](https://dtcc.knowledgeplanet.com/content/ss/sims/survivor_puts_sims/index.html)

- **Stock Loan Payment Orders (SLPO) Enhancements (Q4)**

- Consolidate the SLPO functionality under the ADJI function
- Ability to reject SLPO transactions by contra participants



# Roadmap Objectives

- **Support industry standards throughout the entire Corporate Action (CA) lifecycle through implementation of ISO 20022 and XBRL messaging**  
**Additional information can be found at**  
[http://www.dtcc.com/products/gca/improving\\_communications.php](http://www.dtcc.com/products/gca/improving_communications.php)
- **Bring GCA @Source and GCA VS onto a single platform:**
  - Decrease market confusion by having a single announcement product
- **Retain support for DTC legacy files and data elements including function codes through co-existence period which ends no later than 2015**



## Roadmap Objectives (cont.)

- **Provide lowest risk approach, while still moving towards the industry standards:**
  - Adopt a new event structure that enables viewing an entire event (1 event with multiple options and payouts), while providing a clear translation back to the existing function codes. This change will result in selected mandatory file layout changes to Reorg CCF files (e.g. new activity types and data elements to reduce the overuse of activity type 93 and 52)
  - Interim state data model includes legacy DTC data to insure no translation issues arise between legacy events/systems and the new events/systems
- **Support needs of both GCA VS and DTC Processing during co-existence period**
  - GCA VS customers must receive announcements as announced in market, but DTC processing limitations may require a change to that announcement. For example – GCA VS customers must always receive an announcement as it is announced in the market, but due to DTC processing rules – DTC may announce these events differently
- **Reduce overall cost of the effort by leveraging existing systems where possible**



# Approach

- Overall approach for CA Re-engineering has been recast to reduce scope, cost and implementation risk
- Requires no client programming efforts for 2010
- The new approach enhances existing systems, rather than developing a replacement
- It supports industry standards rather than proprietary formats, and data will be published in ISO 20022 format, with a unique CA ID
- Customers will be provided with a unified, web-based user interface that spans announcements, instructions, allocations through to payments
- All changes will be phased in over time, and all DTC legacy files will be retired by no later than 2015



# Customer Improvement Highlights

- **Improved Identification and Representation of an Event:**

The unique Corporate Action Identifier (CA ID) provides clear and consistent identification of events. The new event structure will provide a holistic view of an event, to ensure it is provided in the way it was originally announced.

- **Improved Navigation and User Experience:**

The completely new user interface will enable the user to manage the entire corporate action lifecycle (announcements, instructions, payments etc.) from on integrated web application.

- **Improved STP:**

Support of ISO messaging for the entire corporate action lifecycle (including automated elections for all elective events) will enhance STP and reduce risk for the industry.

- **Improved Announcement Data:**

Receiving XBRL messages directly from issuers will ensure that customers receive the most timely accurate announcement data possible. Additional customer requested changes will help ensure announcements are announced as the company intended (e.g. reduced usage of 93 and 52 activity types).



# Summary of the Roadmap Phases

## **Q3 09 Phase 1 - Additional DTC Data Provided Through GCA VS**

- Additional DTC specific data elements in GCA VS

## **Q4 10 Phase 2 – Unique ID/New Event Structure/ISO 20022/XBRL**

- ISO 20022 announcement messages, new event structure and User Interface, Unique ID and XBRL data available to all Participants for DTC-Eligible data, and to all GCA VS clients for global data

## **TBD Phase 3 - Distribution Announcements and Processing**

- WAVES upgraded to maintain all Distribution events
- Distribution processing systems upgraded to support CA ID and Event Structure (Option, Payout, etc.)
- New UI / ISO 20022 messaging for the entire distribution lifecycle

## **TBD Phase 4 – Redemption Announcements and Processing**

- Same steps as in Phase 3, but applied to Redemption events

## **TBD Phase 5 – Mandatory Reorg Announcements and Processing**

- Same steps as in Phase 3, but applied to mandatory reorg events

## **TBD Phase 6 – Voluntary Reorg Announcements and Processing**

- Same steps as in Phase 5, but applied to voluntary reorg events

## **TBD Phase 7 – Retire Legacy Files**



# Phase 1 – Additional DTC Data Provided Through GCA VS

- **Customer and Internal User Interface**

- GCA VS customers and staff will be able to see additional DTC specific data elements through the GCA VS WAVES browser

- **Customer Files and Messages**

- GCA VS customers will be able to receive additional DTC specific data elements through the GCA VS proprietary file. This will be a subscription option, so that non-DTC Participants will not have to receive this information.



# Phase 2 – ISO 20022, XBRL, Universal CA ID, New Model for GCA VS with DTC Data

- **Universal Unique CA ID**

- DTC will generate a unique universal ID for the event and return it to the Issuer

- **GCA VS and Event Structure**

- A new event structure will be implemented in GCA VS and will ensure all DTC specific data elements are captured
- The GCA VS user interface will be upgraded to the new standard
- GCA VS will begin receiving real-time updates from @Source

- **Customer Files and Messages**

- ISO 20022 announcement messages will be introduced as a pilot in Q3, with a limited number of customers and go live with this release
- Participants may elect to receive ISO 20022 messages for DTC Eligible events
- Legacy files will remain unchanged for all customers

- **XBRL**

- Introduced as a pilot in Q3, with a limited number of issuers
- An XBRL data interface will be added as an additional source into GCA VS



# Phase 3 – Distribution Announcements and Processing Move to Event Structure

- **Customer Interface**

- New customer user interface implemented for entire lifecycle of distribution events (instructions, entitlements, etc...)
- Legacy PTS / PBS functions for distribution events turned-off

- **Customer Files and Messages**

- ISO 2022 messages will be introduced for entire lifecycle of distribution events
- Legacy files updated to provide optional changes for customers



# Phase 4 – Redemption Announcements and Processing Move to Event Structure

- **Customer Interface**

- New customer user interface implemented for entire lifecycle of redemption events (instructions, entitlements, etc.)
- Legacy PTS / PBS functions for redemption events turned-off

- **Customer Files and Messages**

- ISO 2022 messages will be introduced for the entire lifecycle of redemption events
- Legacy files will be updated to provide CA ID and Option #, but these will be optional changes for customers.



# Phase 5 – Mandatory Reorg Announcements and Processing Move to Event Structure

## • **Customer Interface**

- New customer user interface implemented for entire lifecycle of mandatory reorg events (instructions, entitlements, etc...)
- Legacy PTS / PBS functions for mandatory reorg events turned-off

## • **Customer Files and Messages**

- ISO 20022 messages introduced for entire lifecycle of mandatory reorg events
- Legacy files updated mandatory changes for customers



# Phase 6 – Voluntary Reorg Announcements and Processing Move to Event Structure

- **Customer Interface**

- New customer user interface implemented for entire lifecycle of all DTC Eligible events (instructions, entitlements, etc...)
- Legacy PTS / PBS functions for all events will be turned-off

- **Customer Files and Messages**

- ISO 2022 messages will be introduced for entire lifecycle of voluntary reorg events
- Changes will be made to the @Source legacy files and will be mandatory for all customers



# Phase 7 – Retire Legacy Files and Merge GCA VS and GCA @Source

- **Customer Interface**

- @Source, VS, and Processing customers will all be using the same browser application with no differences in the events

- **Customer Files and Messages**

- Only one set of ISO 20022 messages will be offered by DTCC
- All legacy files (CCF files, ISO 15022, GCA VS Proprietary) turned off and customers required to take the ISO 20022 messages