



UNDERWRITING REENGINEERING

THE DTCC SOURCE

WHAT DOES THIS MEAN FOR YOUR ORGANIZATION?

Major System and Process Flow Changes

Web Underwriting System “WUN”	Retired
Participant Underwriting System “PUND”	Retired
DTC Prospectus e-mail Box	Retired
DTC Eligibility Questionnaire	Discontinued
Manual deal status	Discontinued
e-mails and fax’s to data vendors	Discontinued
Hard copy, fax and e-mailed offering information/documents	Discontinued

New Procedures

Electronic transmission of deal information to DTC (3 methods - see page 2)
Offering documentation must be uploaded into the system
Automated regulatory compliance with MSRB G34 and NASD 6260
Automated calculation of new Access=Delivery Prospectus requirements
Priced Deal Calendar displays Offering and security details and documents
Real time messaged based new issue information data distribution
Real-time deal status via an electronic “dashboard”
Correspondent underwriters (non-participants) must use system
Clearing firms approve all correspondent deals settlement activity

For Additional Information

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HOW DO I PLAN FOR THESE MAJOR CHANGES?

Underwriter Checklist

1) Promote awareness with you organization

- Visit our web site for background information - www.dtcc.com/reengineering/index.html
- View the “webcasts” on our website
 - Overview - www.dtcc.com/reengineering/underwriting/webcast2005/player.html
 - NIIDS - www.dtcc.com/reengineering/underwriting/webcast/player.html
- Attend one of our speaking engagements or visit the DTC reengineering booth at major industry conferences

2) Communicating deal information to DTC – Business Decision Required Now

- Determine electronic communication method to DTC for each asset class:
 - See chart on next page for examples
- a) External Bookbuilding/Running System
- b) Underwriter direct connection to DTC
- c) DTC Underwriting System web based screens

2a) External Bookbuilding/Running System

- Determine Bookbuilding/Running System to be used for each asset class (e.g. Bloomberg Deal, Bondesk Syndicate, Dealogic, I-Deal, NAPA, Market Access, MarketPipe, ZIA)
- Ensure they have your requirements and understand timing of testing, training, and implementation.

2b) Underwriter direct connection to DTC

- Obtain DTC File layout Specifications: Available at <http://www.dtcc.com/reengineering/index.html>
- Define business and functional requirements
- Secure IT budget and resources
- Establish connectivity with DTC SMART Network
- Review DTC website to understand timing of testing, training and implementation

2c) DTC Underwriting System web based screens

- Establish connectivity with DTC SMART Network or obtain digital certificate
- Determine access coordinator and user entitlements
- Review DTC website to understand timing of testing, training and implementation



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3) Determine Roles/Responsibilities – Business Decision Required

- Review with syndicate desk and determine roles/responsibilities (Syndicate Desk versus Syndicate Operations or Middle Office/Trade Support) for the New Issue Information Dissemination Process
- New Issue Information Dissemination Process includes the following:
- Input to DTC of deal information to facilitate:
 - a) Security Master Set Up, Trade Processing, Trade Confirmation, and Trade Reporting
 - b) Access = Delivery Prospectus Process
 - c) Regulatory compliance with MSRB Rule G34
 - d) Regulatory compliance with NASD Rule 6260

DTCC strongly recommends that all underwriters obtain access to DTC's underwriting system Web-based screens regardless of their chosen communication methods. This will allow underwriters to access real-time deal status via an electronic dashboard.



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Examples of asset classes and communication methods

Example (for illustrated purposes only): Global Underwriter

Asset Classes	Certificates of Deposit (CD's)	Corporate Debt (Investment Grade)	Corporate Debt (High Yield)	Corporate Debt (Emerging Markets)	Equity	Municipal Debt	Securitized Debt (CMO/ABS)
Electronic Path into DTC	DTC UW System web based screens	Market Access	Bloomberg	MarketPipe	DealLogic	i-Deal	Underwriter Direct Transmission

Example (for illustrated purposes only): National Underwriter

Asset Classes	Certificates of Deposit (CD's)	Corporate Debt (Investment Grade)	Corporate Debt (High Yield)	Corporate Debt (Emerging Markets)	Equity	Municipal Debt	Securitized Debt (CMO/ABS)
Electronic Path into DTC	DTC UW System web based screens	Bloomberg	N/A	N/A	DealLogic	i-Deal	N/A

Example (for illustrated purposes only): Regional Underwriter

Asset Classes	Certificates of Deposit (CD's)	Corporate Debt (Investment Grade)	Corporate Debt (High Yield)	Corporate Debt (Emerging Markets)	Equity	Municipal Debt	Securitized Debt (CMO/ABS)
Electronic Path into DTC	DTC UW System web based screens	DTC UW System web based screens	N/A	N/A	DealLogic	i-Deal	N/A

Example (for illustrated purposes only): Small Underwriter

Asset Classes	Certificates of Deposit (CD's)	Corporate Debt (Investment Grade)	Corporate Debt (High Yield)	Corporate Debt (Emerging Markets)	Equity	Municipal Debt	Securitized Debt (CMO/ABS)
Electronic Path into DTC	N/A	N/A	N/A	N/A	N/A	DTC UW System web based screens	N/A