

IMPORTANT NOTICE

DTCC Deriv/SERV LLC



#: 505
DATE: January 23, 2007
TO: Distribution
FROM: Yana Granovskiy
SUBJECT: **DTCC Deriv/SERV to Introduce the Support for the Confirmation of Tranches on the ABX indices on January 25, 2007**

On January 25th, 2007, Deriv/SERV will introduce the support for the confirmation of tranches on the ABX indices. Support will be enabled through the use of a new value in the Master Document Transaction Type field (in the messages it's the Standard Terms Supplement Type): "**ABXTranche**". This new value would be added to the list of valid values accepted on input records and included in output records via web, CSV and FpML.

To minimize issues around user implementation, the new value for the transaction supplement type will be published in a revision to version 6.0 of the Deriv/SERV user technical specifications. It will be assumed that any user on the tranches version (4.1 - or a higher version) will be prepared to consume records that include "**ABXTranche**".

Confirmation of ABX Tranche transactions will be processed in exactly the same manner as other tranche transactions.

The following highlights the new acceptable value as documented on the Participant's Web site in "*TIW Credit R2 2006-11-08 Technical Specification - Credit Derivatives v6.0 rev3.pdf*":

Standard Terms Trade usage (Index and Index Tranche)

The **documentation** element within the **trade** element is used to reference the Master Agreement, to reference the applicable Standard Terms Supplement, and to specify the Standard Terms Supplement Publication Date.

The **documentation** element must contain the **masterAgreement** and **contractualTermsSupplement** elements. The **documentation** element must not include a **masterConfirmation**, **brokerConfirmation**, **contractualDefinitions**, **contractualSupplement**, **contractualMatrix** or **creditSupportDocument** element.

The **masterAgreement** element must contain the **masterAgreementType** and the **masterAgreementDate** elements.

The **masterAgreementType** element must contain a *masterAgreementTypeScheme* attribute with the value “<http://dtcc.com/coding-scheme/master-agreement-type>”. The **masterAgreementType** element must have one of the following values: AFB, German, ISDA, Swiss, Other.

The value of the **masterAgreementDate** element must follow the XML date pattern YYYY-MM-DD convention. By DTCC Deriv/SERV business rules this must be a valid date.

The **contractualTermsSupplement** element must include a **type** element that in turn contains the *contractualTermsSupplementScheme* attribute with the value of: <http://www.fpml.org/coding-scheme/contractual-supplement-4-0>. The value used in the **type** element must be one of the following values:

- For Index Standard Terms trades:
 - iTraxxAsiaExJapan
 - iTraxxAustralia
 - iTraxxCJ
 - iTraxxEuropeDealer
 - iTraxxEuropeNonDealer
 - iTraxxSDI75Dealer
 - iTraxxSDI75NonDealer

- For Index Tranche Standard Terms trades:
 - CDXEmergingMarketsDiversifiedTranche
 - CDXTranche
 - **ABXTranche**
 - iTraxxAsiaExJapanTranche
 - iTraxxAustraliaTranche
 - iTraxxCJTranche
 - iTraxxEuropeTranche

The **contractualTermsSupplement** element must include the **publicationDate** element. The contained date will only be validated for valid date format.

Any questions or comments regarding this release or DTCC Deriv/SERV in general should be directed to your relationship manager.