

IMPORTANT NOTICE

DTCC Deriv/SERV LLC



#: 515
DATE: February 13, 2007
TO: Distribution
FROM: Deriv/SERV Product Management
SUBJECT: Trade Information Warehouse –Release 2

Deriv/SERV will implement its second release (R2.0) of the Trade Information Warehouse (TIW) at the close of business date (NY) on February 22, 2007. This release consists of the following main components:

- TIW cash flow calculations and projections for ‘Gold’ CDS and CDX transactions
- Expanded GUI (Graphic User Interface) displays of cash flow schedule and underlying payment information for each transaction
- Additional reporting via TIW and the Payment Reconciliation (PayRec) service to compare TIW calculated amounts against cash flows submitted into PayRec.
- Transmission of real time TIW informational payment calculation messages

These calculations are intended merely for the convenience of Users and for informational purposes only. Although records of these calculations will be maintained in the Warehouse, they will not form part of the legal “Warehouse Record” (as that term is used in the Deriv/SERV Operating Procedures – please refer to the revisions to the Operating Procedures being circulated today by Important Notice for a detailed explanation). This release provides the ability for firms to review TIW calculations of ‘Gold’ CDS/CDX transactions and verify them against their own internal applications, as well as, submissions to PayRec.

Please note that the R2 implementation **does not** affect the credit derivative trade confirmation process and its corresponding payments matching: There are no changes to the credit derivative templates matched via Deriv/SERV or to the formats supported in the PayRec matching service.

CDS Trade Matching Platform

The Reports tab selection will contain 2 additional reports, which can be requested via batch overnight:

- Deriv/SERV 21 Day Cashflow Report
- Deriv/SERV Payments Exception Report

PayRec Platform

The PayRec GUI will contain 2 additional reports, as well:

- PayRec-TIW Difference Report: this report will be automatically generated daily with overnight delivery.

- TIW Full Reconciliation Report: this report will be generated on request for a specific value date.

Additional information and training for Release 2

For more detailed information on these new reports and/or an overview of the Release 2, please refer to the Trade Information Warehouse Release 2.0 Highlights webinar. Currently, these sessions are scheduled weekly on Mondays at 10:00 am. (NY)/3:00 p.m. (Ldn.). Please refer to the webinar schedule located on the Deriv/SERV website: (<http://derivserv.dtcc.com>)

MQ output for TIW payment messages

There are new outbound MQ messages for the TIW calculated payments. As a reminder, it is not compulsory to receive them now since firms have different schedules of integrating them into their applications prior to Release 3. Firms who wish to receive these new messages should contact their Deriv/SERV relationship manager.

Calculation for existing trades in TIW

Trades that have been submitted in TIW and deemed 'Gold' with a 'Certain' status will also be calculated for any one time payments and coupon for the current calculation period. This conversion job will also take place the evening of Feb. 22nd.

Newly confirmed transactions will not have their cash flows generated until the eligible, historical population in TIW has been completed.

Please direct any queries related to this notice to your Deriv/SERV relationship manager directly or to Deriv_RMS@DTCC.com