

IMPORTANT NOTICE

DTCC Deriv/SERV LLC



#: 642

DATE: February 5, 2008
TO: Distribution
FROM: Deriv/SERV Product Management
SUBJECT: DTCC Deriv/SERV to Implement Novation Consent Enhancements on February 7, 2008

Release 2.1 of the DTCC Deriv/SERV Novation Consent will be implemented on February 7, 2008. Key components of this release include the following enhancements:

1. Dispute Functionality

The Deriv/SERV Novation Consent (NC) application will be modified to provide a way for any of the three parties: Transferor (OR), Remaining Party (RP), Transferee (EE) to dispute a Novation Consent Request.

NC users will have the following options to remove the “Disputed” flag:

- OR can Cancel or Modify the disputed request. Modified Requests will assume the “Requested” status and will require RP’s attention.
- The party that disputed the request can remove this flag (“undispute”) and the request will assume the last known status.

2. “Payment Payer” and “Payment Date” fields

In order to further improve the Novation Consent Request process, users wishing to submit payment information, will be able to select the “Payment Payer” from the following two options: OR or EE.

Once the “Payment Payer” is selected, the system will default the “Payment Date” field to 3 business days after the “Novation Trade Date”. Users will have an ability to overwrite this date.

3. Allow RP to Update “Routing Code”

The NC tool will be enhanced to allow the RP to update and save their “Routing Code” field without having to perform any other action on this request (Approve or Refuse).

4. Merge “Approved” and “Submitted” tabs

In order to simplify the “Pending Tab” view, the “Submitted” tab will be merged with the “Approved” tab and the new “Approved” tab will contain all NC requests that were approved by the RP. Any requests that were auto-submitted into TIW will be marked as “Submitted”.

5. Allow Fast Entry

This enhancement will allow users to fast enter amounts into the “Novated Amount” and “Payment Amount” fields. Users will be able to use K for Thousand and M for Million when entering the amount information.

For Example:

- In order to enter 90,000, users can type 90K
- In order to enter 25,000,000, users can type 25M

Please be advised these enhancements will be migrated into production at 6:00 PM EST (11:00 PM GMT) on Thursday, February 1, 2008. Please mark your calendars, as the Deriv/SERV Novation Consent system will be unavailable for 2 hours (6:00 PM – 8:00 PM EST / 11:00 PM – 1:00 AM GMT).

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