

IMPORTANT NOTICE

DTCC Deriv/SERV LLC



#: 650
DATE: April 1, 2008
TO: Distribution
FROM: Deriv/SERV Product Management
SUBJECT: Deriv/SERV Interest Rates Release – 4.1

Deriv/SERV will implement various enhancement features to the Interest Rates platform at the close of business date (NY) on April 3, 2008.

This release consists of the following main components:

- Increase the products covered on the Rates platform by adding the ability to support Cancellables and Interest Rates Swaps (IRS) with Notional and / or Fixed Rate Schedules. These adjustments in schedules are commonly referred to as Accreters, Amortisers, and Roller-coasters.
- Add several new fields to the existing Interest Rate Swap (IRS), Swaption (SPT) and Inflation Swap (IFS) templates:
 - Additional Payment 2 Fields on IRS, SPT and IFS to accommodate non-upfront fees (e.g. zero coupon fees).
 - Stubs Fields for Compounding Trades on IRS, SPT and IFS to allow first payment date and penultimate payment date.
 - Swaps from Swaption Exercise Fields on IRS to provide participants the ability to flag a swap as a result of an exercise from a swaption.
 - Bilateral Comments Field on IRS, SPT and IFS.
 - Linked Independent Amount Fields on IRS, SPT and IFS to enable participants to reference linked collateral on a group of trades.
- Swaption Premium fields will be removed from Assignments as they are not relevant to the new party.
- For Compounding trades with no spread, Compounding Method of Flat will be overwritten with Straight as the calculation is the same when the spread is zero. This will improve STP matching rates.
- Allocation Management functionality will be expanded to allow for the removal of trades from a Block.
- Addition of Underlying Trade Reference Number to Alleged MQ Messages For Inside Post Trade Events. This will provide easier referral of one's own original submitted trade ID from an alleged trade stemming from a post trade event.
- Addition of Best Match Percentage to Downloads which facilitates improved risk management.
- A PDF Confirmation document showing the trade details will be available for new trades.

Please note Participants must upgrade to Messaging Version 4.0 in order to support the additional new fields. Please contact our Implementation team via derivserv_implementation@dtcc.com to update your account profile. Please also refer to the Participant website for additional technical specifications.

Please be reminded that Deriv/SERV will also be retiring the Full Termination Transaction Type, as previously referenced in the Recommended Practices Document (which has been updated to incorporate these changes).

Please be advised that the Deriv/SERV system will be unavailable from approximately 6:00 p.m. to 11:00 p.m. EST NY time.

Please direct any queries related to this notice to Bill Stenning (wstenning@dtcc.com) or Kirston Winters (Kwinters@dtcc.com).