

IMPORTANT NOTICE

DTCC Deriv/SERV LLC



#:697

Date: November 26, 2008

To: Distribution

From: Deriv/SERV Product Management

Subject: DTCC Deriv/SERV Credit Release 3.2
9 digit RED code usage for index and index tranche transactions

On December 4, 2008, DTCC Deriv/SERV LLC will implement Release 3.2 2008 of the Trade Information Warehouse (TIW). One of the key components of this release is the introduction of a validation of 9 digit RED codes submissions for index and index tranche transactions for all Users, regardless of their current RED subscription status with Markit .

Beginning December 4th, new trade submissions on index and index tranches that include a 9 digit RED code will be validated against the information provided by Markit. If the 9 digit code is invalid, the submission will be rejected. If the 9 digit code is valid, the reference entity name, annex date, and effective date of the trade submission will be compared to the Markit static data. Any discrepancies will be automatically modified in the trade submission and will be shown in all messaging. Both the GUI and the messaging will now enable non RED code subscribers to see the 9 digit RED code as well.

This modification will follow the standard industry naming and date conventions. Detailed information regarding this modification is available through your Client Advisory Representative. Notification of all modifications is available on a daily overwrite report. This process is similar to the one that is currently used for both 6 and 9 digit RED codes submission for single-name CDS transactions.

Although the validation for the REDs code for new CDS index and index tranche trades will be migrated on December 4, 2008, usage of RED codes for CDS index and index tranche trades will not be mandatory until a date to be determined in the first quarter of 2009. This transition period is provided to allow firms sufficient time to make the necessary modifications to their systemic and operational processes to support this change. At that time, all index and index tranche submissions without a valid 9 digit RED code will be rejected upon submission.

Firms should note that this new validation applies only to new CDS index and index tranche trade submissions. CDS single name trades will continue to be validated for Markit REDs service subscription; CDS single name trades submitted by firms which are not subscribers will continue to have their RED code ignored.

Please be advised that information regarding the other components of Release 3.2 2008, as well as the details of system availability during the migration, will be communicated by Important Notice at a later date.

Non-Confidential

DTCC offers a Web-based subscription service leveraging RSS Newsfeeds, which provides real-time updates. To learn more, visit www.dtcc.com/subscription_form.php.

The new validation outlined in this Important Notice has been, and will continue to be communicated via various Working Groups. By using the affected services, the User agrees to waive any applicable notice requirements relating to the enhancements.

Any questions or comments regarding this release or DTCC Deriv/SERV in general should be directed to your Client Account representative.