

# **IMPORTANT NOTICE**

**National Securities Clearing Corporation**



**A#:** 6736  
**P&S#** 6306  
**Date:** November 7, 2008  
**To:** ALL PARTICIPANTS  
**Attention:** MANAGING PARTNER/OFFICER  
OPERATIONS PARTNER/OFFICER  
MANAGER P&S DEPARTMENT  
MANAGER DATA PROCESSING DEPARTMENT  
**From:** Louis Lepore, Clearance & Settlement Product Management  
**Subject:** Mutual Fund Transfer Enhancement

In Important Notice #6653, P&S#6223 dated July 7, 2008, the National Securities Clearing Corporation (NSCC) outlined system modifications required by ACATS member firms for the Mutual Fund Transfer Enhancement. This voluntary enhancement (subject to approval from the Securities and Exchange Commission) will support the re-registration of mutual fund assets between firms and mutual fund companies.

In addition to the original proposed modifications, participants are advised of two new reject codes that will be used by ACATS to communicate the rejection of the new PTF (Position Transfer Fund) transfer type on the ACATS Position File. These reject codes will be applicable to both firm initiated transfer scenarios only when the fund company rejects or provides no response to the re-registration of the mutual fund asset during the transfer process. These reject codes, which will only be used on the **ACATS Variable Output Position File AutoRoute# 02090718** and the **ACATS Output Fixed Position File AutoRoute# 02090724** are as follows:

- **Reject Code 15 – Position Transfer Fund (Deliverer)** – To be used when the fund company is acting as a deliverer on the transfer
- **Reject Code 28 – Position Transfer Fund (Receiver)** – To be used when the fund company is acting as a receiver on the transfer

Participants who will be using this new voluntary enhancement are required to program and accept these new reject codes in the ACATS Position File. Additionally, participants will continue to see their mutual fund re-registration acknowledgments and rejections displayed on the ACATS Fund/SERV Statistics File. For any rejections that appear on this file, the same Fund/SERV reject codes used today by mutual fund companies will apply.

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A copy of this Important Notice can be obtained from NSCC's web site <http://www.nsc.com> in the Important Notice section or in the ACATS section of DTCC's website at the following URL address: [http://www.dtcc.com/products/cs/equities\\_clearance/acats.php](http://www.dtcc.com/products/cs/equities_clearance/acats.php). If you have any additional questions, please contact your Relationship Manager or Bill Kapogiannis at (212) 855-5667 or the undersigned at (212) 855-4223.

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