

IMPORTANT NOTICE

DTCC Deriv/SERV LLC



#: 771

Date: June 9, 2009

To: Distribution

From: Deriv/SERV Product Management

Subject: **DTCC Deriv/SERV to Implement Index Tranche Versioning, Standard Transaction Types and Other Enhancements on June 11, 2009**

DTCC Deriv/SERV Trade Information Warehouse Credit Enhancements release will be implemented on June 11, 2009. Key components of this release include the following enhancements:

1. RSEM Overwrite for Tranche transactions

Upon submission of a Tranche transaction, DTCC Confirmation System will overwrite the following fields:

Field / Tranche Type	CDX / LCDX / DowJonesCDX Index Tranche	iTraxx / ABX / CMBS / iTraxxLevx Index Tranche
Relevant Settled Entity Matrix (RSEM)	Overwrite to "Publisher"	Overwrite to "NotApplicable"
Relevant Settled Entity Matrix Date	Overwrite to "Blank"	Overwrite to "Blank"

All overwritten fields will be duly reflected on the "D/S Overwritten Report".

2. Tranche Index Versioning

Index Tranche Trades subject to Credit Event Processing will also undergo Tranche Index Versioning. Similar to the existing CDX Index Versioning model, Phase III of the Credit Event Processing will be extended to include Tranche Index Versioning.

On Cash Settlement Date, EOD batch processing cycle:

- All adhered Tranche trades will be updated to reflect the "Successor Index". The following fields will be updated as part of the Versioning:
 - Successor RED ID
 - Successor Index name
 - Annex date
 - RSEM will be updated to "Publisher" (CDX Tranche) and updated to "NotApplicable" (Non-CDX Tranche trades)
 - RSEM date will be updated to Blank ("1900-01-01")

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- Confirmed amendment messages will be generated for both parties to the trade. Trades will go from Certain-to-Certain.
 - Amendment date = Cash Settlement date
 - Cancel and re-generate Cashflows under the new “Confirmed” details. Cash flow amounts will remain the same as the original trade.

3. **Standard Trades**

In order to accommodate industry’s commitment to trade new standardized products, the following products will be eligible for D/S processing effective June 22, 2009:

Product	Master Documentation Transaction Type
Standard Tranche	StandardCDXTranche
Standard European Single Name	StandardEuropeanCorporate, ISDA2003StandardCreditEuropean, StandardSUBORDINATEDEUROPEANINSURANCECORPORATE
Standard Western European Sovereign	StandardWesternEuropeanSovereign, ISDA2004StandardCreditSovereignWesternEuropean

For a complete list of Validation Rules, please refer to the “Standard Trades User Guide” located on the Deriv/SERV website (<http://www.dtcc.com/products/derivserv/>) under “Trade Information Warehouse” of the “Participants Section”.

4. **Cancel DK’ed transactions**

On June 19, 2009, DTCC Deriv/SERV LLC will introduce a new process for the automated cancellation of Trade Information Warehouse (TIW) transactions which have been in DK status for 30 calendar days or greater. Effective with this date, transactions meeting these criteria will be reflected on a new report, the “Auto Cancel DK Transaction Report”. This new report, which will be provided daily, will list those DKd transactions scheduled for cancellation within the next 7 calendar days; it will also list those transactions which have been systemically canceled on that day.

Although the new report will be made available beginning Friday, June 19, the first cancellation of aged DKd transactions will not occur until Thursday, June 25. This transition period is provided to allow firms sufficient time to review the report, and submit any required cancellations or offsetting trades prior to the initial systemic cancellation. On Thursday, June 25, TIW transactions that have been in DK status for 30 calendar days or greater will be automatically canceled. Thereafter, this cancellation process will be executed on a daily basis.

Please be advised these enhancements will be migrated into production at 6:00 PM EST on Thursday, June 11, 2009 (11:00 PM GMT). Please mark your calendars, as the Deriv/SERV Trade Information Warehouse Web Environment will be unavailable for 1 hour (6:00 PM – 7:00 PM EST / 11:00 PM – 12:00 AM GMT).

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