

IMPORTANT NOTICE

National Securities Clearing Corporation



A#: 6783
P&S# 6353
Date: February 2, 2009
To: ALL PARTICIPANTS
Attention: MANAGING PARTNER/OFFICER
OPERATIONS PARTNER/OFFICER
MANAGER P&S DEPARTMENT
MANAGER DATA PROCESSING DEPARTMENT
From: EQUITY CLEARANCE PRODUCT MANAGEMENT
Subject: OTC EXPLICIT FEE PROCESSING IMPLEMENTATION

Effective on Friday, February 20, 2009, NSCC will implement the enhancements to its OTC processing for Explicit Fee transactions. NSCC will provide, **on an optional basis**, the ability for NASDAQ's TRF (ACT) system to submit OTC Explicit Fee transactions and will report such information on its intra-day and end-of-day output. **The ability for Qualified Special Representatives (QSRs) to submit OTC Explicit Fee transactions, though not presently available, is currently under development with the industry and will be announced at a later date.**

Details pertaining to processing and testing were provided in NSCC Important Notice A#6762, P&S#6332, issued on December 16, 2008 and is available at http://www.dtcc.com/downloads/legal/imp_notices/2008/nsc/a6762.pdf.

New fields will be added to the DATATRAK and MQ input formats representing the **Total Explicit Fee Amount** and the **Total Contract Amount**. The same fields will be provided on NSCC's OTC Intra-Day data file and on the OTC and NASDAQ End-of-Day print image contract output.

The Total Contract Amount is already provided on the OTC contract output and is defined as the Principal Trade Amount. For Explicit Fee transactions, the Total Contract Amount will continue to serve as the Principal Trade Amount and will include the Total Explicit Fee for settlement purposes. The Total Explicit Fee Amount will be provided separately for informational purposes only.

This and other NSCC Important Notices are located on the www.DTCC.com web site in the Clearance and Settlement product pages. OTC trade input and intra-day contract output formats are also available at the DTCC link. If you have questions, please contact your Relationship Manager or email the undersigned at ryodice@dtcc.com.

Robert M. Yodice,
Product Management, Director

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