

IMPORTANT NOTICE

DTCC Deriv/SERV LLC



#: DS # 918
DATE: October 22, 2010
TO: Distribution
FROM: Deriv/SERV Product Management
SUBJECT: DTCC Deriv/SERV Cashflow Matching Release on November 9, 2010

On November 9th, 2010 DTCC Deriv/SERV is launching Cashflow Matching (CFM) for Equity derivative products. The service is initially offered to the G14 Dealers who have been actively testing the CFM system in September and October of this year.

Production use of the CFM system will begin on November 9th when CFM participants can begin submitting to the system cashflows with a payment date on or after 22nd November.

Cashflow Matching is a fee based service. The fees will be set out in a new Appendix A to the Deriv/SERV Operating Procedures to be published in the next few weeks.

The CFM system will match cashflow submissions for Equity Swaps, Variance Swaps, Options Dividend Swaps and Other equity types. Participants can submit cashflows to the CFM system via FpML based MQ messages, via spreadsheet upload through the CFM GUI, or via affirmation using the GUI. The CFM system matches cashflows when possible and has a number of break resolution tools when payment matching is not possible.

The new Cashflow Matching for equity products supports:

- Cashflow Matching and Affirmation
- Best Matching
- Bilateral Net Reporting and Netting Lock
- Trade Type Templates
- Match Reporting and Match Break Resolution Tools (GUI, Reports)
- Payment Audit History
- Trade Shapes
- Don't Match, Don't Net
- Payment Shapes
- All Currencies Match Before Netting
- Reporting
- Web GUI

Firms are reminded to complete their MQ setups by November 16th, 2010.

Operations Support for Cashflow Matching:
1.888.382.2721 (option 3, sub option 1) (U.S./Canada)

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Any questions or comments regarding this release should be directed to your account manager.