

# **IMPORTANT NOTICE**

**National Securities Clearing Corporation**



**A#:** 6976  
**P&S#** 6546  
**Date:** April 1, 2010  
**To:** ALL PARTICIPANTS  
**Attention:** MANAGING PARTNER/OFFICER  
OPERATIONS PARTNER/OFFICER  
MANAGER P&S DEPARTMENT  
MANAGER DATA PROCESSING DEPARTMENT  
**From:** Louis J. Lepore  
**Subject:** New ACATS Reversal Variable Machine Readable Output (MRO) File  
Autoroute# 02091008

In September 2010, the National Securities Clearing Corporation (NSCC) will make available a new Automated Customer Account Transfer Service (ACATS) Machine Readable Output (MRO) File to assist broker members when an ACATS reversal occurs for a failing Member firm. The transactions on this file will include any reversed assets in ACATS transfers that have reached Settle-Close (Status 310) or Settle-Prep (Status 300) on the day NSCC has processed such reversals. This includes CNS ACATS transactions, and/or non-CNS ACATS transactions which comprise the NSCC money settlement 006 and 008 incentive charges a broker member firm had with the failing Member firm. Any non-CNS ACATS asset transactions that settle free (e.g. options, insurance assets) will be excluded from this file as they do not contain incentive charges, and thus there is no need to process money settlement reversals. In addition to this new MRO Reversal File, NSCC will be creating a new comma delimited MRO Reversal File that will be made available to firms which can be opened in another application (i.e. Excel). More information about this file (including the new Autoroute #) will be distributed in a future important notice.

Member firms are strongly encouraged to code for the new ACATS Reversal File to prepare for a Member failure in the future. Once the file is implemented into production, Members are advised that if ACATS reversals are processed again for another Member failure, NSCC will not distribute details of those reversals on hard copy reports via fax or email.

Additional information about this new ACATS Reversal file is as follows:

- The file will follow the same record layout format as the existing ACATS Variable MRO Settlement File. However, the Record Type will be **R= ACATS Close-Out Reversal MRO** and the file will be new **Autoroute # 02091008**. Additionally, both the option and insurance asset extension records are not applicable.

Non-Confidential

DTCC is now offering enhanced access to all important notices via a new, Web-based subscription service. The new notification system leverages RSS Newsfeeds, providing significant benefits including real-time updates and customizable delivery. To learn more and to set up your own DTCC RSS alerts, visit [http://www.dtcc.com/subscription\\_form.php](http://www.dtcc.com/subscription_form.php).

- The file will display reversed transactions only. These transactions will appear the opposite way they were reported on the original ACATS Settlement File
- The file will always display the status of the ACATS transfer (for the positions effected) at the time the reversal occurred. Position reversals on standard and non-standard transfers that have an ACATS settlement date the same day the reversal occurs will report an ACATS Transfer Status 310 (Settle Close). Position reversals for standard transfers that have an ACATS settlement date of the next business day will have an ACATS Transfer Status 300 (Settle Prep)
- The file will be distributed at least once daily in Variable Record Length Format Only. However, the file **will not** always be a time driven file as ACATS reversals can occur at anytime during the business day. Additionally, it is possible NSCC could process reversals for multiple Members on a given day. A separate file may be generated for each reversal event. If no event occurs, an empty file will be distributed at end-of-day
- The new file format can be obtained by clicking on “**Record Layouts**” under the **Customer Resources** section on the ACATS page of DTCC’s corporate website. Once in the section, it is under the tab “**Variable Record Lengths – Output Data File Formats**”. The website link to the ACATS page is [http://www.dtcc.com/products/cs/equities\\_clearance/acats.php](http://www.dtcc.com/products/cs/equities_clearance/acats.php).

### **Testing**

Member testing of this new file format will be made available in NSCC’s Participant Services Environment (PSE) in Q3 2010. The PSE test file will be **Autoroute# 02981008**. Members who want to receive this file in production, test, or both, must contact the DTCC Relationship Services Group by sending an email to [rmsupport@dtcc.com](mailto:rmsupport@dtcc.com). Another important notice will be distributed in the future outlining further testing details as they become available.

A copy of this Important Notice can be obtained from NSCC’s web site at <http://www.nsc.com> in the Important Notice section. If you have any questions regarding these enhancements, please contact your DTCC Relationship Manager.

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