

IMPORTANT NOTICE

National Securities Clearing Corporation



A#: 7081
P&S#: 6652
Date: October 19, 2010
To: ALL PARTICIPANTS
Attention: MANAGING PARTNER/OFFICER
OPERATIONS PARTNER/OFFICER
MANAGER P&S DEPARTMENT
MANAGER DATA PROCESSING DEPARTMENT
From: Product Management
Subject: Enhancements to ACATS Transfers Processed Through CNS

On October 15, 2010, the National Securities Clearing Corporation (“NSCC”) filed a rule change (SR-NSCC-2010-12) effective upon filing with the Securities and Exchange Commission (“SEC”), regarding certain enhancements to ACATS transfers processed through its Continuous Net Settlement (“CNS”) system. This rule change makes a technical modification to the rule changes outlined in NSCC Rule Filing SR-NSCC-2010-05¹ and DTC Rule Filing SR-DTC-2010-09.²

System enhancements relating to ACATS transfers processed through CNS, as reflected in the two rule filings identified above, will be implemented after end of day settlement processing on **Friday, October 29, 2010**, and will be reflected in the night cycle on that date for settlement on Monday, November 1, 2010. As a result of these enhancements, long allocations determined to be an ACATS receive from CNS will be delivered to a Member’s no lien location at DTC in its Minimum Amount (MA) account.

As mentioned in Important Notice A# 7062, P&S# 6633, dated September 22, 2010, NSCC has rescheduled implementation of the new ACATS reject code and two new ACATS Reversal Machine Readable Output (MRO) files to **Monday, November 1, 2010**.

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.

¹ Approved by the SEC on August 16, 2010. See SEC Release No. 34-62726 (August 16, 2010), 75 FR 162 (August 23, 2010).

² Approved by the SEC on August 16, 2010. See SEC Release No. 34-62727 (August 16, 2010) 75 FR 157 (August 16, 2010).

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