

# **IMPORTANT NOTICE**

## **National Securities Clearing Corporation**



**A#:** 7097  
**P&S#:** 6668  
**Date:** November 11, 2010  
**To:** ALL FULL SERVICE PARTICIPANTS  
**Attention:** OPERATIONS, CASHIERING, SETTLEMENTS  
**From:** Product Management, Equity Clearance  
**Subject:** Obligation Warehouse (OW) Participant Testing Begins

Subject to SEC approval, National Securities Clearing Corporation (NSCC) will enhance its current Reconfirmation and Pricing Service (RECAPS) and rename it Obligation Warehouse (OW), as previously announced in the NSCC Important Notices A# 6848, P & S# 6418, dated July 22, 2009, A# 7033, P & S# 6604, dated July 27, 2010, and A# 7075, P & S# 6646, dated October 7, 2010.

**Member testing for Obligation Warehouse will begin on November 22, 2010 for MQ messaging and processing through the OW Web portal. Testing of OW is highly recommended for all Members.**

In preparation for this initial testing phase, Members should secure their MQ connectivity and register their respective Access Coordinator as an OW Web user. Additional information and several tools for the testing are or will be available on the Clearance Learning Center website, <http://dtcclearning.com/learning/clearance/>, including the following:

- Obligation Warehouse Participant Implementation Plan, dated November 2010, defines the steps necessary to prepare for testing and production, identifies AutoRoute file names and numbers and provides important contact information.
- OW Web Guide, available now, provides the step-by-step process on how to enter, take actions and view exception reports via the OW Web portal.
- OW Questions and Answers, available now, explains the functionality of the Obligation Warehouse.
- OW Implementation Schedule, available now, defines the dates for production of the phased-in implementation.
- Participant Testing Scripts, to be available by the end of this month, will be used in conjunction with the canned data files to offer a tool that covers all basic actions through OW, using the test scenarios and data.

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).

This initial testing phase of OW will include a robust test system that simulates a modified production cycle of OW. Bilateral matching, modifications, delivery information and query searches by Members will all be available in this testing phase, and the data from CNS exits, Balance Orders and non-CNS ACATS receive and delivery instructions will be automatically loaded.

All Members testing the OW are required to test the OW Web portal, even if MQ messaging is the primary source of communication with OW.

The testing schedule, below, is based on a weekly cycle, and includes the weekly purge of old data in OW and a systematic add of new data into OW.

Date	Time (ET)	Action Taken
Every Friday	6:30 pm	After EOD process is complete, all data in OW is purged.
Every Saturday	12:01 am	SOD, Monday's business date CNS exits, Balance Orders and non-CNS ACATS are entered into OW.
Daily	All day	Obligation submission for matching is available.
Daily	All day	Delivery Orders and Reclaims entered through DTC Settlement ( <i>test</i> ) where the OW ID/ OW Control # is populated are updated in OW when the delivery / reclaim has completed.
Daily	All day	Delivery Notification Requests and Reclaim Notification Requests, both of which require bilateral agreement, can be submitted and acted upon in the OW.
Daily	10:30 am 4:45 pm	Certain mandatory corporate actions are applied on open obligations, where applicable. Cash Reorganization files are generated for each cycle.
Daily	5:00 pm	CNS eligibility check is performed. If eligible, an Obligation is closed, messages are sent, and OW Web is updated and noted on EOD Position file. Obligations that are closed are not sent to CNS in this testing, and are terminated. <i>CNS is not supported in this test.</i>
Daily	9:00 pm	Participant Swings are performed on open obligations, where applicable.

OW will use the current day as the processing date during this initial testing phase beginning on November 22, 2010 and running through January 20, 2011. After January 20, 2011, the processing date of the test environment will be the prior day. Production implementation for OW is planned for settlement date January 24, 2011.

It is highly recommended that all Members participate in an industry wide pre-test of the RECAPS functionality in OW on December 7, 2010, the details of which will be published in a separate Important Notice. This pre-test of the RECAPS functionality in OW will be conducted using the legacy data from obligations matched in production for the fourth quarter 2010. A separate full test of the RECAPS functionality in OW is expected to take place in March 2011.

For questions regarding this notice, please contact your Relationship Manager or the undersigned at (212) 855-7659.

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