

IMPORTANT NOTICE

National Securities Clearing Corporation



A#: 7133
P&S#: 6703
DATE: DECEMBER 31, 2010
TO: ALL PARTICIPANTS
ATTENTION: MANAGING PARTNER/OFFICER; P&S MANAGER, CASHIER;
OPERATIONS MANAGER; MANAGER, DATA PROCESSING MANAGER,
IT MANAGER
FROM: PRODUCT MANAGEMENT
SUBJECT: UNIVERSAL TRADE CAPTURE – PROCESSING BLANK FIELDS,
FOREIGN SECURITY PROCESSING, BATCHING OUTBOUND MRO FILE
AND WHEN-ISSUED/WHEN DISTRIBUTED (WI) REPORTING

Subject to SEC approval, National Securities Clearing Corporation (NSCC) plans to implement Universal Trade Capture (UTC), the most comprehensive redesign of its trade capture system in decades, during the first quarter 2011. For more details about UTC and the overall testing and implementation schedule, see Important Notice A#7030, P&S#6601, dated July 21, 2010.

Record Format Rules – Processing and Reporting Blank Fields

To comply with FIX protocol standards, NSCC will not report blank fields/tags in FIX or MQ messages. Under these standards, Members and markets are also not required to submit blank fields/tags on FIX or MQ input. Once implemented, the UTC MRO file (AutoRoute #02081673) **will** include blanks fields with no information.

NSCC has assigned record format rules, described in this Important Notice, for two blank output fields: Tag #58 (Don't Count Indicator) and Tag #263 (Anonymity Indicator). These record format rules apply to MQ/ FIX and MRO UTC output. The UTC MRO will report these fields with blanks while the MQ and FIX messages will not report the above mentioned tags if the fields are blank.

Reporting of Blank Fields:

Reporting Method	Reports blank fields	Follows format rules (Tags #58 and #263)
MQ	No	Yes
FIX	No	Yes
UTC MRO	Yes	Yes

Tag #58 – Don’t Count Indicator:

Tag	Field Name	Record Format Rule	Valid Values
58	Don’t Count Indicator (SEC 31 Fees)	Count = If not submitted on a message or submitted blank on a file the resulting value is “Count” and the transaction will be included in the Section 31 total.	D = Don’t Count P = Don’t Count; Blank = Count

Input to NSCC: If a submitting exchange would like a transaction to be counted for Section 31 processing, it should not include Tag #58 in its FIX or MQ submission. NSCC will count Section 31 fees on transactions where this field/tag is not provided. Submitting entities that do not want a transaction counted for Section 31 fees should specify a valid value (“D” or “P”) in Tag #58.

Output from NSCC: If Tag #58 is not reported on NSCC FIX or MQ trade capture output or reported with a blank on the MRO data file, the sell side contract amount was included in Section 31 market totals.

Tag #263 – Anonymity Indicator:

Tag	Field Name	Record Format Rule	Valid Values
263	Anonymity Indicator	Trades submitted to NSCC with the A, anonymity indicator will be reported anonymously with 8602 as clearing member and ANON as the executing broker. When tag 263 is not provided by an exchange, NSCC will report the trade counterparty. ¹	Blank = Report Counterparty A = Anonymity

Input to NSCC: If a submitting exchange wants a transaction to be treated with “Anonymity” it should include Tag #263 (Anonymity Indicator) and provide the value “A” in the trade input to NSCC. Tag #263 is not required if an exchange does not want the trade reported anonymously.

Output from NSCC: This tag is not provided on output.

Foreign Security Processing

Firms are reminded that with the implementation of UTC, foreign securities will no longer be reported on the Consolidate Trade Summary (CTS) AutoRoute #02042354 with a market code of "FN". Upon migration to UTC, these transactions will be reported with the market of execution appearing in the “Market Name” (position 26-27) field on the CTS. For example “OC” will appear in the “Market Name” field on the CTS if the transaction occurred on the Over the Counter market.

Note: If NSCC has instructions from a member to Universal Flip all trades from a specific market, and foreign securities are executed in that market, those foreign securities will be included as part of the Universal Flip process.

¹ NSCC will only report trades anonymously if the exchange has received regulatory approval for reporting trades anonymously.

Batching of Outbound UTC MRO File

The UTC contract MRO (AutoRoute #02081673) will include a variable number of fixed length transactions, up to a maximum of 50 transactions, in each record within a batch UTC MRO file, in contrast to the legacy MRO files, which contain only a single transaction on each record. Since the data that populates the UTC MRO file is generated in real-time, the number of trade records within each batch will depend on trading activity.

When-Issued/When-Distributed (WI) Reporting

Firms are reminded that the UTC application will generate two daily MRO files of WI trade related information: (1) a file containing the WI trade totals, and (2) a file containing WI “peeled” information, announcing the settlement date for the issue. This information will not be available on the UTC Print Image Report.

The new WI MRO files will become available in production during the first quarter 2011 as described below. Firms wishing to receive these new data files are instructed to contact RMSupport@dtcc.com or the Enterprise Service Center at 888-382-2721 (option 5, option 1).

AutoRoute ID #	Report Name	Date Available
02080981	When-Issued/When-Distributed Totals MRO	January 7, 2011
02080982	When-Issued/When-Distributed Peeled Securities MRO	February 25, 2011

Additional Information

Please visit the UTC web page at <http://dtcclearning.com/learning/clearance/> to find the UTC formats. For more details about UTC and the overall testing and implementation schedule, see Important Notice A#7030, P&S#6601, dated July 21, 2010.

For assistance with testing, please contact RMSupport@dtcc.com to begin the process or the Enterprise Service Center at 888-382-2721 (option 5, option 1) for further support. For UTC web page assistance, please call or email DTCC Training Administrator at training_administrator@dtcc.com.

For questions about the Universal Trade Capture application or this Important Notice, please contact your Relationship Manager or email the undersigned at tgarett@dtcc.com.

Tim Garrett
Product Management, Equities Clearance