

IMPORTANT NOTICE

National Securities Clearing Corporation



A#: 7179
P&S#: 6749
Date: March 11, 2011
To: ALL PARTICIPANTS
Attention: MANAGING PARTNER/OFFICER, OPERATIONS
PARTNER/OFFICER, COMPLIANCE OFFICER, DIRECTOR OF
OPERATIONS, MANAGER CUSTOMER ACCOUNT TRANSFER
DEPARTMENT, MANAGER MARGIN DEPARTMENT, DATA
PROCESSING MANAGER
From: LOUIS LEPORE
Subject: ACATS FUND REGISTRATION (FR) RECORD MODIFICATIONS

Effective June 13, 2011, National Securities Clearing Corporation (NSCC) will implement the following enhancements to the ACATS Fund Registration (FR) record to support the passage of cost basis on mutual fund transactions. These enhancements are being made in conjunction to the changes on the ACATS-Fund/SERV Transfer Record 018 outlined in NSCC Important Notice A#7175, P&S# 6745 dated March 7, 2011. Members are required to make the necessary systems changes to support these modifications. Additionally, these changes will be updated on the ACATS Fund Registration (FR) Input screen on DTCC Web Direct.

Enhancements:

- 1) There will be a new value **added** to the **Social Code field**. The value will be **“63 = S Corporation”**

Input Modifications

ACATS FR – Variable Record Length - 36667

- Bytes 217 – 218

ACATS FR – Fixed Record Length - 32667

- Record 3, Bytes 22 – 23

Output Modifications

- Multi-Cycle Transaction MRO AutoRoute 02090716 & End-of-Day Transaction MRO AutoRoute 02090717 (Variable Record Length)
 - Record Subtype ‘F’, Bytes 494 – 495
- ACATS Output Position AutoRoute 02090718 (Variable Record Length)
 - Record Subtype ‘F’, Bytes 321 – 322

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- Multi-Cycle Transaction MRO AutoRoute 02090722 & End-of-Day Transaction MRO AutoRoute 02090723 (Fixed Record Length – Record 7)
 - Record Subtype ‘F’, Bytes 22 – 23
- ACATS Output Position AutoRoute 02090724 (Fixed Record Length – Record 5)
 - Record Subtype ‘F’, Bytes 22 – 23

2) The values on the **Cost Basis Code field** will be updated as follows:

Value	New Description	Current (old) Description
0 =	Unknown	Not used today
1 =	FIFO (First In, First Out)	Unknown
2 =	LIFO (Last In, First Out)	First in
3 =	High Cost	Last in
4 =	Low Cost	Highest
5 =	Average Cost	Lowest
6 =	Select Lot	Owner

Note: The Cost Basis Code field will still remain an Optional Field on the ACATS Fund Registration (FR) record.

Input Modifications

ACATS FR – Variable Record Length - 36667

- Byte 739

ACATS FR – Fixed Record Length - 32667

- Record 9, Byte 24

Output Modifications

- Multi-Cycle Transaction MRO AutoRoute 02090716 & End-of-Day Transaction MRO AutoRoute 02090717 (Variable Record Length)
 - Record Subtype ‘F’, Byte 1016
- ACATS Output Position AutoRoute 02090718 (Variable Record Length)
 - Record Subtype ‘F’, Byte 843
- Multi-Cycle Transaction MRO AutoRoute 02090722 & End-of-Day Transaction MRO AutoRoute 02090723 (Fixed Record Length – Record 13)
 - Record Subtype ‘F’, Byte 24
- ACATS Output Position AutoRoute 02090724 (Fixed Record Length – Record 10)
 - Record Subtype ‘F’, Byte 79

Participant Services Environment

Beginning May 16, 2011 testing of these modifications will be accommodated in the Participant Services Environment (PSE) region. Members wishing to test must contact the Enterprise Service Center (ESC) by calling the NSCC Production Support Hotline at 888-382-2721, option 6, then option 7, then option 2. It is recommended at least three days prior notice be provided to ESC.

Additional Information

A copy of this Important Notice can be obtained from the NSCC Important Notices section of DTCC's web site at http://www.dtcc.com/legal/imp_notices/. If you have any questions regarding these enhancements, please contact your DTCC Relationship Manager or the ESC in the phone number provided above.