IMPORTANT NOTICE

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#	***MS #121***
Date:	April 27, 2012
To:	Distribution
From:	MarkitSERV Product Management - Rates
Subject:	MarkitSERV DSMatch Rates - Maintenance Release

At the close of business (NY) on Friday, April 27, 2012, there will be a MarkitSERV DSMatch Rates release during which enhancements will be moved into production for Interest Rate products. This notice refers to product enhancements. A separate legal notice will be issued for updates specific to the MarkitSERV Operating Procedures as related to these enhancements.

Swaption Forward Dated Premiums

Historically, for Interest Rate Swaptions, upon Novation, the Swaption Premium is removed and not transferred to the new novated trade. A prior release in November of 2011 introduced the option to transfer the Swaption Premium to the new novated trade by utilizing the data element fields, Affected Swaption Premium Amount, Affected Swaption Premium Currency and Affected Swaption Premium Payment Date. With this release, a new messaging element has been added to FpML messaging to specify swaption forward dated premiums. The new messaging element is “NovatedPremium” and will be mapped to the existing Affected Swaption Premium data element fields.

Where a Swaption Premium is forward dated, the NovatedPremium messaging element is optional. For a full novation, where the Swaption Premium is to be transferred, the full amount must be specified in the NovatedPremium messaging element. For a partial novation where part of the premium is to be transferred, a pro-rated amount should be specified in the NovatedPremium messaging element. For a novation where the User opts not to transfer the premium, the NovatedPremium messaging element can be used with an amount of ‘0’ or the User can omit the NovatedPremium messaging element entirely.

New Support for Step-Up Trades

Currently, for Interest Rate Swaps, Terminations are not supported on trades where a Notional Schedule is specified. Functionality enhancements in this release support Full Terminations on all IRS trades with a Notional Schedule. Notional Schedules are not supported for Swaptions.

Support for a Negative Rate on CMS Trades

Interest Rate Cap/Floors functionality has been enhanced to allow negative values on CMS (Constant Maturity Swap) trades such that Cap/Floor rates can have a negative strike value for an inverted yield curve.

Currently, the minimum allowable value for any Cap/Floor Rate on all Cap/Floor trades is zero. This functionality allows for all Cap/Floor indexes (both CMS and otherwise) Cap/Floor Rate 1 and Cap/Floor Rate 2 to support a negative value.

New Exit Message Type

The Field Exit message in DSMatch Rates enhanced to allow for a new Exit Message type:

- MW Backloaded

Please be advised that the MarkitSERV DSMatch Platform will implement the change in Production with a system downtime from 6:30 pm EST on Friday April 27th until 12:00am.

Any questions or comments regarding this Important Notice or MarkitSERV in general should be directed to your account manager, CAG@markitserv.com or to:

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