



B #:	B0201-12
Date:	February 8, 2012
To:	All Participants
Category:	Compliance
From:	General Counsel's Office
Attention:	Managing Partner/ Officer Cashier/ Operations Management
Subject:	DTC Rule Filing 2012-01 regarding the notification process on full call MMIs

The Depository Trust Company ("DTC") recently filed a rule change with the Securities and Exchange Commission ("SEC") as effective upon filing, pursuant to Section 19(b)(3)(A) of the Securities and Exchange Act of 1934. The purpose of the rule change was to automate the "full call" notification process relating to Money Market Instruments ("MMIs") and as such reduce the timeframe within which such notices are required to be submitted to DTC.

In April 2011, members of the SIFMA Money Market Committee (the "SIFMA MMI Committee") sent a written request to DTC regarding the "full call" notification process for MMIs. The SIFMA MMI Committee requested that DTC re-evaluate its procedures regarding notification timeframes for processing certain transactions in MMIs (the "Request").¹ The financial services industry, and the money market sector in particular, is responding to various and significant regulatory changes including, the Basel III capital directives ("Basel III"). In particular, the industry is concerned that Basel III's anticipated implementation of a Liquidity Coverage Ratio will have significant consequences on the cost of short-term funds for major international banks and that the commercial paper market will need to adapt to these changes. DTC was advised that the ability to issue callable commercial paper - with very short notice periods - would be beneficial to banks in managing the new Liquidity Coverage Ratio. The industry has indicated that affected banks may, accordingly, shift a significant percentage of commercial paper issuances into a callable format over time.

DTC has reviewed its current process and has determined that it is feasible to automate its processes as they relate to the Request. In so doing, DTC would reduce operational risk in the processing of MMI full call notices and at the same time support the Request. In order to facilitate this automation, DTC will create a function which will provide IPAs with the ability to input MMI full call information directly into the DTC system via an input screen in the Settlement Web or via an automated message format, at the IPAs option. The announcement information will be available via the existing

¹ DTC, in consultation with the industry, agreed that these process changes for MMIs would only apply to full calls. A partial call undergoes a different process using a "lottery" mechanism that requires more time for the holders to elect their option and for operational processing. Given the additional time constraints, it was agreed that DTC would shorten the window only for full calls.

DTC offers enhanced access to all important notices via a Web-based subscription service. The 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.

Reorg Inquiry for Participants (RIPS) function on the Participant Terminal System (PTS) and as an intraday file to which Participants may subscribe. The information will also be included in end of day redemption output files. As a result of this automation, DTC will be able to reduce the notification timeframe on full call MMIs. Effective April 26, 2012, DTC will modify the timing of a full call announcement so that IPAs have the option to send notification to DTC up until noon on the day before maturity for those IPAs that use the full call automation input mechanism.

Additionally, and at the request of the Options Clearing Corporation (“OCC”), DTC is making unrelated updates to its Settlement Service Guide in order to make changes to certain OCC cutoff times. These two cutoffs were originally established to allow OCC as Pledgee (as defined in the DTC rules and procedures) sufficient time to receive and input Participant release requests to the OCC internal system and then to create and send approved releases back to DTC. When first introduced, this was a manual process. In 1997, DTC extended the cutoffs to the current times to reflect automation in OCC’s process.² OCC has now requested to extend the cutoffs further in order to allow Participants additional time to process their release requests since the current process is no longer manual and is instead a “real-time” messaging between DTC and OCC. Effective upon the date of the rule filing, DTC will extend the OCC cutoffs described above to 6:15 pm.

The full text of the rule change is available at our website, www.dtcc.com. Questions or inquiries regarding the proposed rule change may be directed to Javette Laremont, Product Management at email jlaremont@dtcc.com or (212) 855-2414 or Candice Fordin, Associate Counsel at email cfordin@dtcc.com or (212) 855-7632; any such comments will be forwarded to the SEC. Written comments may also be addressed to the Secretary of the Commission, Securities and Exchange Commission, 100 First Street, N.E., Washington, D.C. 20549. We request that you provide DTC with a copy of your comments.

² See DTC Important Notice B#2287 dated December 2, 1997 in which DTC made changes to OCC’s cutoffs.