



<b>B #:</b>	B0309-12
<b>Date:</b>	March 8, 2012
<b>To:</b>	All Participants
<b>Category:</b>	Compliance
<b>From:</b>	General Counsel's Office
<b>Attention:</b>	Managing Partner/ Officer Cashier/ Operations Management
<b>Subject:</b>	DTC Rule Filing 2012-02 - reducing credit risk relating to processing on MMIs

The Depository Trust Company ("DTC") recently filed a rule change with the Securities and Exchange Commission ("SEC"), pursuant to Section 19(b)(2) of the Securities and Exchange Act of 1934. The purpose of the rule change was to provide increased transparency for IPAs before the 3:00 PM refusal to pay deadline. A summary of the proposal is detailed below.

In late 2009, DTC and The Securities Industry and Financial Markets Association ("SIFMA") together formed the MMI Blue-Sky Task Force to address systemic and unique market risks associated with the MMI process, including DTC processing. It was determined by this group and other money market industry members that the current MMI processing schedule at DTC permits issuance and other transaction activity that can affect an issuer's net funding amount or proceeds after the 3:00 PM ET refusal to pay deadline. In order to provide increased transparency for IPAs before the 3:00 PM deadline, DTC will make the following processing changes, which should assist IPAs in making better-informed credit decisions when an issuer has more maturities than issuances:

- Adjust the MMI valued new issuance cut-off from 3:20 PM ET to 2:00 PM ET.
- Create a new MMI Receiver Authorized Approval ("RAD") approval of new valued issuance transactions at 2:45 PM ET from 3:30 PM ET.<sup>1</sup>
- Submit all MMI issuance and deliver order transactions to RAD for approval, regardless of transaction value.<sup>2</sup>

The full text of the rule change is available at our website, [www.dtcc.com](http://www.dtcc.com). Questions or inquiries regarding the proposed rule change may be directed to Javette Laremont, Product Management at email [jlaremont@dtcc.com](mailto:jlaremont@dtcc.com) or (212) 855-2414 or Candice Fordin, Associate Counsel at email [cfordin@dtcc.com](mailto: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

<sup>1</sup> If a transaction is not approved in RAD by 2:45, it will drop and need to be resubmitted.

<sup>2</sup> This change will eliminate the ability for a receiver to "force" a reclaim upon an IPA that would alter the amount of funding an issuer may need to provide late in the day and close to or after the 3:00 PM ET RTP option and also eliminate matched reclaims that currently override participant risk management controls.

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Commission, 100 First Street, N.E., Washington, D.C. 20549. We request that you provide DTC with a copy of your comments.