DTCC

Important Notice
National Securities Clearing Corporation

A#:	**7665**
P&S#:	**7235**
Date:	**July 3, 2013**
To:	**ALL MEMBERS AND LIMITED MEMBERS**
From:	**WEALTH MANAGEMENT SERVICES – MUTUAL FUNDS**
Attention:	**MANAGER MUTUAL FUNDS OPERATIONS, MANAGER DATA PROCESSING, MANAGER CASHIERS, MANAGER P&S DEPARTMENT**
Subject:	**MUTUAL FUND – FUND/SERV®, NETWORKING and DTCC PAYMENT aXis ENHANCEMENTS**

Effective **Monday, November 18, 2013**, National Securities Clearing Corporation (NSCC) will implement enhancements to **Fund/SERV®, Networking and DTCC Payment aXis**. Below is a summary of the enhancements; details illustrating the specific changes are included in the attached Appendix. The Appendix is segregated by service (Fund/SERV, Networking and DTCC Payment aXis) and organized by record number. *The Appendix is for informational purposes and may not represent the final record layouts; NSCC reserves the right to make additional changes prior to implementation.*

As part of this release, NSCC will:

➢ Add a **State of Sale field** to Fund/SERV exchange records. The State of Sale field will apply to exchanges to 'new' accounts and was requested to support blue sky reporting.

➢ Enhance Fund/SERV, Networking and DTCC Payment aXis records to facilitate the exchange of **Retirement Plan Account** information. This enhancement will afford firms the ability to identify plan accounts with investments in multiple fund companies, providing firms the needed transparency to meet regulatory and supervisory requirements.

➢ Enhance Fund/SERV and Networking records to communicate registration and applicable withholding information to help meet requirements of the Foreign Account Tax Compliance Act (**FATCA**) that become effective January 1, 2014.   FATCA legislation (Chapter 4, Sections 1471–1474 of the Internal Revenue Code) expands the tax reporting requirements imposed on foreign financial institutions and the IRS will phase in the regulations over the next several years (2014 – 2017).

➢ **Change syntax on the Networking Control Number** to prevent the control number from repeating in a year. The Networking Control Number is considered a key data point

in matching transactions to Cost Basis records; however the Control Number has the potential to repeat annually. This enhancement will provide greater uniqueness to Networking Control Numbers and avoid the possibility of duplication of a control number in a year.

➢ Enhance existing Networking records to allow for further **transparency**, necessary for **cost basis reporting**. This enhancement supports delivery of the **opposing membership identifier**, as well as the ability to deliver the **MF Agent** number through new underlying firm number fields.

MF Agent processing allows a participant to designate another NSCC participant to be its ACATS Fund/SERV agent. During the transfer process, when the participant provides instructions to use its ACATS Fund/SERV agent, ACATS replaces the participant's information on the re-registration instructions with the Clearing Name and Number of the ACATS Fund/SERV agent. In the event an ACATS Fund/SERV transfer is rejected and the ACATS Fund/SERV agent instructs the fund to initiate a manual transfer, the ACATS Fund/SERV agent is expected to provide the fund with the underlying participant for which it is acting as agent. This information is necessary so firms can identify the underlying participant expected to hold the cost basis information; the ACATS Fund/SERV agent will not have the cost basis information.

➢ Enhance Dividend records to support an **Extended Rate Field**; as well as a new field to indicate the **Record Date Shares** on accounts. Many dividend rates are eight to nine decimal places in length. The existing rate field does not allow for reporting of extended rates and may cause incomplete reporting of dividend information. Funds that do not calculate an extended rate will be *required* to populate the current rate in both the existing and new fields. Additionally, a new Record Date Shares field will be added for reporting of the account's record date shares amount for declared dividends or capital gains.

➢ Establish new **Social Codes** to better depict the type of account being established, as well as eliminate social codes 02 (Female) and 10 (Keogh). The new social codes will provide greater transparency to both firms and funds to assist in account oversight.   Best practices for mapping social codes 02 (Female) and 10 (Keogh) to existing social codes are outlined in the Appendix. NSCC previously communicated the elimination of social codes 02 and 10 via Important Notice A7503, dated October 11, 2012.

TESTING
Effective **Monday, October 21, 2013,** participants can begin testing in the Participant Services Environment (PSE) test region.

Participants are encouraged to test and must contact their Relationship Manager before testing begins for proper setup in the PSE region. Relationship Managers should be contacted at least three (3) days prior to testing.

DOCUMENTATION

Updated record layouts will be available on or about **Thursday, July 18, 2013** and can be located on DTCC's website:
http://www.dtcc.com/products/wealthmgmt/members/record_layouts.php

Updated social code and reject code lists, in addition to a new Chapter 4 (FATCA) Status Code list, will be available on or about **Thursday, July 18, 2013** and can be found at:
http://www.dtcc.com/products/wealthmgmt/members/codes.php.

Applicable User Guide updates and FATCA Best Practices will be available on or about **Monday, November 18, 2013**. An email notification will be sent upon posting of the documentation to our website.

Questions and comments regarding this Important Notice may be directed to Wealth Management Services at **212-855-8877**.

John Saxenian   Therese Leahy
Product Manager   Product Manager

Product Management
DTCC Wealth Management Services

Appendix

Fund/SERV Enhancements
(Mainframe and WebDirect screens)

Both fixed and variable record layouts will be modified. However, for the purpose of illustration, the fixed record layouts are used below.

New State of Sale field will affect the following records:

1. **015 – Exchange Order Record, 4 of 5**

   ➢ **Create an optional/conditional State of Sale field, which will be required for exchanges to new accounts.**
   ➢ **Add condition "Required for exchanges to new accounts"**
   Transaction Type:
   6 (Exchange to new account)
   C (Voluntary Cross Class Exchange to new account)

   This field will provide the State of Sale necessary for blue sky reporting when an exchange is transmitted for a new account.

Current Field Name	Start	End	Len	Type	Description	Opt/ Req	Reject Code
State of Sale (State Code)	72	73	2	A/N	Required for exchanges to new accounts Transaction Type: 6 (Exchange to new account) C (Voluntary Cross Class Exchange to new account)	O/C	012

2. **016/017/021 – Exchange Confirmation/Exchange Reconfirmation/Post Settlement Exchange Cancellation records, 4 of 12**

> - **Create an optional/conditional State of Sale field, which will be required for exchanges to new accounts.**
> - **Add condition "Required for exchanges to new accounts"**
>   Transaction Type:
>   6 (Exchange to new account)
>   C (Voluntary Cross Class Exchange to new account)

This field will provide the State of Sale necessary for blue sky reporting when an exchange is transmitted for a new account.

Current Field Name	Start	End	Len	Type	Description	Opt/ Req	Reject Code
State of Sale (State Code)	72	73	2	A/N	Required for exchanges to new accounts Transaction Type: 6 (Exchange to new account) C (Voluntary Cross Class Exchange to new account)	O/C	012

New Plan Account Number and Plan Account Number Indicator fields will affect the following Fund/SERV record:

3. **401 - Full Registration Record, 4 of 32**

> - **Create new Optional field 'Plan Account Number'**
> - **Create new Optional/Conditional field 'Plan Account Number Indicator'**
>   > - Add rule 'Required if Plan Account Number is provided'
>   > - Add valid indicator values of: 1 = Trust, 2 = TPA, and 3 = Record Keeper

The new fields will allow firms and funds to communicate plan account information.

Field Name	Start	End	Len	Type	Description	Opt/ Req	Reject Code
Plan Account Number	78	97	20	A/N	Plan account at the Trust, TPA, or Record Keeper	O	
Plan Account Number Indicator	98	98	1	A/N	Required if Plan Account Number is provided. 1 = Trust 2 = TPA 3 = Record Keeper	O/C	277

The following record changes are applicable to FATCA enhancements:

4. 401 - Full Registration Record

➢ **Add the following new indicators to the Withhold Indicator field** (Record 3 of 32):
   ➢ "H = W-8BEN-E on file/documentary evidence"
   ➢ "I = Voluntary FATCA withholding - W-8BEN-E on file/documentary evidence"
   ➢ "J = W8-IMY or W-8BEN-E pending"

New indicators will provide the W8 status of an Entity (IRS Form W-8BEN-E) and add a W8 pending status indicator for an Intermediary (IRS Form W8-IMY).

Field Name	Len	Type	Description	Opt/Req	Reject Code
Withhold Indicator	1	A/N	W9 indications	R	124
			0 = Certified (W-9 on file)		
			1 = Failure to provide tin		
			2 = Failure to certify tin		
			3 = Notification of incorrect TIN from the Secretary of Treasury (Withhold due to B Notice)		
			4 = Failure to certify backup withholding status		
			5 = Voluntary disclosure from payee of affirmative backup withholding status		
			6 = Notification to commence Backup Withholding from Secretary of Treasury for underreporting dividend and/or interest payments (Withhold due to C Notice)		
			7 = Applied for social security number		
			8 = Exempt recipient		
			9 = Account(s) subject to both B and C Notice Withholding		
			W8 indications		
			A = Uncertified foreign account (no W8 form on file-backup withholding necessary)		
			B = Certified foreign beneficial owner account (form W8-BEN on file)		
			C = Certified foreign intermediary account (form W8-IMY on file)		
			D = Certified valid foreign account (form W8-ECI on file with ITIN)		
			E = Certified foreign exempt account (form W8-EXP on file)		
			F = W8 on file - no treaty rate claimed		
			G = W8 Beneficiary with TIN on file		
			H = W-8BEN-E on file/documentary evidence		
			I = Voluntary FATCA withholding - W-8BEN-E on file/documentary evidence		
			J = W8-IMY or W-8BEN-E pending		

➤ **Add new value of "9 = Territory Financial Institution" to the W8 Qualified Intermediary Indicator field** (Record 3 of 32)**:**

New value is being added to align with revised IRS Form W8-IMY (rev. December 2012)

Field Name	Len	Type	Description	Opt/ Req	Reject Code
W8 Qualified Intermediary Indicator	1	A/N	1 = QI (qualified intermediary - primary withholding) 2 = QI (Qualified intermediary - non-withholding) 3 = Non-QI (non-Qualified intermediary - non-withholding, not the beneficial owner) 4 = Partnership (withholding) 5 = Partnership (non-withholding) 6 = U. S. branch (non-withholding) 7 = Trust (withholding) 8 = Trust (non-withholding) **9 = Territory Financial Institution**	OC	214

➤ **Create new Optional "Chapter 4 Status Code" field** (Record # - will be provided in final record layouts)**:**
   ➤ Add valid indicator values 01-28

New indicators align with Chapter 4 (FATCA) status codes on the IRS W-8BEN-E and W8-IMY forms.

Field Name	Len	Type	Description	Opt/ Req	Reject Code
Chapter 4 Status Code	2	A/N	01 Nonparticipating FFI 02 Nonparticipating FFI with exempt beneficial owners 03 Participating FFI 04 Registered deemed-compliant FFI 05 Owner-documented FFI 06 Certified deemed-compliant nonregistering local bank 07 Certified deemed-compliant retirement plan 08 Certified deemed-compliant non-profit organization 09 Certified deemed-compliant FFI with only low-value accounts 10 Restricted Distributor 11 Entity wholly owned by exempt beneficial owners 12 Excepted nonfinancial holding company 13 Excepted start-up company 14 Excepted nonfinancial entity in liquidation or bankruptcy 15 Excepted hedging / financing center of nonfinancial group 16 Territory financial institution 17 Excepted Territory NFFE 18 Active NFFE 19 Passive NFFE with substantial U.S. owners	O	TBD

			20	Passive NFFE with no substantial U.S. owners		
			21	Passive NFFE failed to provide substantial U.S. owners		
			22	QI branch of a U.S. financial institution		
			23	Foreign government or government of U.S. possession		
			24	Foreign central bank of issue		
			25	Publicly traded NFFE		
			26	Affiliate of publicly traded NFFE		
			27	Pending Foreign Status Code		
			28	Not applicable - merchant submitting this form solely for purposes of Section 6050W		

➢ **Create new Optional "Global Intermediary Identification Number" field** (Record # - will be provided in final record layouts)

The Global Intermediary Identification Number (GIIN) is issued to deemed-compliant Foreign Financial Institutions who have registered with the IRS. The GIIN number is required for FATCA tax reporting purposes.

Field Name	Len	Type	Description	Opt/ Req
Global Intermediary Identification Number	25	A/N	IRS issued number to identify and establish FATCA status of a Foreign Financial Institution (FFI)	O

➢ **Create new Optional "Underlying Client's Foreign Tax ID" field** (Record # - will be provided in final record layouts)

The Underlying Client's Foreign Tax ID provides information necessary for FATCA tax reporting purposes.

Field Name	Len	Type	Description	Opt/ Req
Underlying Client's Foreign Tax ID	25	A/N	Foreign Tax ID of Underlying Client	O

➢ **Create new Optional "FATCA Override Special Rate" field** (Record # - will be provided in final record layouts):

This field provides the ability to transmit a FATCA withholding rate other than 30% in instances where the standard 30% would not apply.

Field Name	Len	Type	Description	Opt/ Req	Reject Code
FATCA Override Special Rate	5	N	99.999	O	TBD

Networking Enhancements
(Mainframe and WebDirect screens)

Networking Control Number format will be changed as follows:

> Current format for the Control Number is JJJ**99999999**
> Positions 1 – 3 Julian date, and positions 4 – 11 Sequence number

> New Control Number format will be JJJ**YXXXXXXX**
> Positions 1 – 3 Julian date, position 4 – Year, positions 5-11 will become alpha/numeric

The following records are affected:

5. A/B/T52, F53 – Transfer Detail/ Fund Acknowledgment, Seq 1

This will provide greater uniqueness to Networking control numbers and avoid the possibility of duplication of a control number in a year.

Current Field Name	Start	End	Len	Type	Current Description	Opt/ Req
NSCC Control Number or Reference Number	14	24	11	A/N	For Record Type 52: Must be space on input; NSCC will create control number on output. For Record Type 53: Must be either NSCC Control Number when Transaction Type = 1, 2, 4, 5 or Firm Reference Number when Transaction Type = 3, 6 or 7**.**	R/R

6. N49 – Pending Transfer Reminder

Current Field Name	Start	End	Len	Type	Description
NSCC Control Number	14	24	11	A/N	

7. F55 – Activity Reporting Record, Seq 4

*Networking Control Number format change **may** apply to this field if the value in the Original Control Number Indicator field (position 75) is a 2 (Networking Control Number).*

Current Field Name	Start	End	Len	Type	Description	Opt/ Req
Original Control Number	23	37	15	A/N	Required if Transaction Type 13 ("Direct Transfer") in record F55 sequence #1	OC

8. B/F75 – Share Aging Header, Seq 2

*Networking Control Number format change **may** apply to this field if the value in the Control/Reference Number Indicator field (position 46) is a 2 (Networking transfer (B52) control number should be used if requested through Networking).*

Current Field Name	Start	End	Len	Type	Description	Opt/ Req	Reject Code
Control/Reference Number	26	45	20	A/N		R	59

The following Networking records will be enhanced for new plan account information:

9. A/B/T50, A/B/T/F51 - Account Conversion/Update Records, Seq 5

➢ **Create new Optional field 'Plan Account Number'**
➢ **Create new Optional/Conditional field 'Plan Account Number Indicator'**
  ➢ Add rule 'Required if Plan Account Number is provided'
  ➢ Add valid indicator values of: 1 = Trust, 2 = TPA, and 3 = Record Keeper

The new fields will allow firms and funds to communicate plan account information.

Field Name	Start	End	Len	Type	Description	Opt/ Req 50/51	Reject Code
Plan Account Number	68	87	20	A/N	Plan account at the Trust, TPA, or Record Keeper	O/O	
Plan Account Number Indicator	88	88	1	A/N	Required if Plan Account Number is provided. 1 = Trust 2 = TPA 3 = Record Keeper	OC/OC	U7

10. A/B/T52, F53 - Networking Account Transfer Detail/Acknowledgement Records, Seq 2

➢ **Create new Optional field 'Plan Account Number'**
➢ **Create new Optional/Conditional field 'Plan Account Number Indicator'**
  ➢ Add rule 'Required if Plan Account Number is provided'
  ➢ Add valid indicator values of: 1 = Trust, 2 = TPA, and 3 = Record Keeper

The new fields will allow firms and funds to communicate plan account information.

Field Name	Start	End	Len	Type	Description	Opt/ Req 52/ 53	Reject Code
Plan Account Number	79	98	20	A/N	Plan account at the Trust, TPA, or Record Keeper	O/O	
Plan Account Number Indicator	99	99	1	A/N	Required if Plan Account Number is provided. 1 = Trust 2 = TPA 3 = Record Keeper	OC/OC	U7

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The following record changes are applicable to FATCA enhancements:

11. A/B/T50, A/B/T/F51 - Account Conversion/Update Record

- ➢ **Add the following new indicators to the Withhold Indicator field** (Sequence #1):
  - ➢ "H = W-8BEN-E on file/documentary evidence"
  - ➢ "I = Voluntary FATCA withholding - W-8BEN-E on file/documentary evidence"
  - ➢ "J = W8-IMY or W-8BEN-E pending"

New indicators will provide the W8 status of an Entity (IRS Form W-8BEN-E) and add a W8 pending status indicator for an Intermediary (IRS Form W8-IMY).

Field Name	Len	Type	Description	Opt/ Req	Reject Code
Withhold Indicator	1	A/N	W9 indications 0 = Certified (W-9 on file) 1 = Failure to provide tin 2 = Failure to certify tin 3 = Notification of incorrect TIN from the Secretary of Treasury (Withhold due to B Notice) 4 = Failure to certify backup withholding status 5 = Voluntary disclosure from payee of affirmative backup withholding status 6 = Notification to commence Backup Withholding from Secretary of Treasury for underreporting dividend and/or interest payments (Withhold due to C Notice) 7 = Applied for social security number 8 = Exempt recipient 9 = Account(s) subject to both B and C Notice Withholding W8 indications A = Uncertified foreign account (no W8 form on file-backup withholding necessary) B = Certified foreign beneficial owner account (form W8-BEN on file) C = Certified foreign intermediary account (form W8-IMY on file) D = Certified valid foreign account (form W8-ECI on file with ITIN) E = Certified foreign exempt account (form W8-EXP on file) F = W8 on file - no treaty rate claimed G = W8 Beneficiary with TIN on file **H = W-8BEN-E on file/documentary evidence** **I = Voluntary FATCA withholding - W-8BEN-E on file/documentary evidence** **J = W8-IMY or W-8BEN-E pending**	R	124

➢ **Add new value of "9 = Territory Financial Institution" to the W8 Qualified Intermediary Indicator field** (Sequence # 10)**:**

New value is being added to align with revised IRS Form W8-IMY (rev. December 2012)

Field Name	Len	Type	Description	Opt/ Req	Reject Code
W8 Qualified Intermediary Indicator	1	A/N	1 = QI (qualified intermediary - primary withholding) 2 = QI (Qualified intermediary - non-withholding) 3 = Non-QI (non-Qualified intermediary - non-withholding, not the beneficial owner) 4 = Partnership (withholding) 5 = Partnership (non-withholding) 6 = U. S. branch (non-withholding) 7 = Trust (withholding) 8 = Trust (non-withholding) **9 = Territory Financial Institution**	OC	214

➢ **Create new Optional "Chapter 4 Status Code" field** (Sequence # - will be provided in final record layouts)
   ➢ Add valid indicator values 01-28

New indicators align with Chapter 4 (FATCA) status codes on the IRS W-8BEN-E and W8-IMY forms.

Field Name	Len	Type	Description	Opt/ Req	Reject Code
Chapter 4 Status Code	2	A/N	01 Nonparticipating FFI 02 Nonparticipating FFI with exempt beneficial owners 03 Participating FFI 04 Registered deemed-compliant FFI 05 Owner-documented FFI 06 Certified deemed-compliant nonregistering local bank 07 Certified deemed-compliant retirement plan 08 Certified deemed-compliant non-profit organization 09 Certified deemed-compliant FFI with only low-value accounts 10 Restricted Distributor 11 Entity wholly owned by exempt beneficial owners 12 Excepted nonfinancial holding company 13 Excepted start-up company 14 Excepted nonfinancial entity in liquidation or bankruptcy 15 Excepted hedging / financing center of nonfinancial group 16 Territory financial institution 17 Excepted Territory NFFE 18 Active NFFE	O/O	TBD

			19	Passive NFFE with substantial U.S. owners	
			20	Passive NFFE with no substantial U.S. owners	
			21	Passive NFFE failed to provide substantial U.S. owners	
			22	QI branch of a U.S. financial institution	
			23	Foreign government or government of U.S. possession	
			24	Foreign central bank of issue	
			25	Publicly traded NFFE	
			26	Affiliate of publicly traded NFFE	
			27	Pending Foreign Status Code	
			28	Not applicable - merchant submitting this form solely for purposes of Section 6050W	

➢ **Create new Optional "Global Intermediary Identification Number" field** (Sequence # - will be provided in final record layouts)

The Global Intermediary Identification Number (GIIN) is issued to deemed-compliant Foreign Financial Institutions who have registered with the IRS. The GIIN number is required for FATCA tax reporting purposes.

Field Name	Len	Type	Description	Opt/ Req
Global Intermediary Identification Number	25	A/N	IRS issued number to identify and establish FATCA status of a Foreign Financial Institution (FFI)	O/O

➢ **Create new Optional "Underlying Client's Foreign Tax ID" field** (Sequence # - will be provided in final record layouts)

The Underlying Client's Foreign Tax ID provides information necessary for FATCA tax reporting purposes.

Field Name	Len	Type	Description	Opt/ Req
Underlying Client's Foreign Tax ID	25	A/N	Foreign Tax ID of Underlying Client	O/O

➢ **Create new Optional "FATCA Override Special Rate" field** (Sequence # - will be provided in final record layouts)

This field provides the ability to pass a FATCA withholding rate other than 30% in instances where the standard 30% would not apply.

Field Name	Len	Type	Description	Opt/ Req	Reject Code
FATCA Override Special Rate	5	N	99.999	O/O	TBD

Cost Basis transparency enhancements:

12. F55 – Activity Reporting Records, Seq 1

> **Add 2 additional conditional requirements to existing Membership Identifier field**
>   > 33 = Transfer from - Cancellation
>   > 34 = Transfer to – Cancellation

The Membership Identifier is required for 13 (Direct Transfers). This field will also be required for 33 (Transfer from - Cancellation) and 34 (Transfer to - Cancellation).

Field Name	Start	End	Len	Type	Current Description	New Description	Opt/ Req
Membership Identifier	92	93	2	A/N	Required for Transaction Types 13 (Direct Transfer) 00 = N/A 01 = Trust 02 = TPA/Investment Agent	Required for Transaction Types 13 (Direct Transfer) **33 (Transfer from – Cancellation)** **34 (Transfer to – Cancellation)** 00 = N/A 01 = Trust 02 = TPA/Investment Agent	O/C

13. F55 – Activity Reporting Records, Seq 1

> **Add new optional/conditional Opposing Membership Identifier field**
> **Add rule Required if Transaction Type:**
>   13 = Direct Transfers
>   33 = Transfer from - Cancellation
>   34 = Transfer to – Cancellation
> **Add description for this field**
>   Opposing Membership Identifiers:
>   00 = Not Applicable
>   01 = Trust Company

The Opposing Membership Identifier field will provide additional cost basis transparency.

Current Field Name	Start	End	Len	Type	Description	Opt/ Req	Reject Code
Opposing Membership Identifier	94	95	2	A/N	Required for Transaction Types 13 (Direct Transfer) 33 (Transfer from – Cancellation) 34 (Transfer to – Cancellation) Opposing Membership Identifiers: 00 = N/A 01 = Trust	OC	U3

14. F55 – Activity Reporting Records, Seq 5

➢ **Add new optional Opposing Originating /Underlying Firm Number field**
➢ **Add description for this field**
   Opposing Originating Broker Firm number

The NSCC ID number of a firm transacting through an MF Agent is necessary when the receiving firm requires cost basis information.

Current Field Name	Start	End	Len	Type	Description	Opt/ Req	Reject Code
Opposing Originating/ Underlying Firm Number	82	85	4	A/N	Opposing Originating Broker Firm number **(The underlying firm's NSCC ID number, for firms transacting through an MF Agent)**	O	U4

15. F55 – Activity Reporting Records, Seq 5

➢ **Add new optional Originating /Underlying Firm Number field**
➢ **Add description for this field**
   Originating Broker Firm Number

The NSCC ID number of a firm transacting through an MF Agent is necessary when the receiving firm requires cost basis information.

Current Field Name	Start	End	Len	Type	Description	Opt/ Req	Reject Code
Originating / Underlying Firm Number	86	89	4	A/N	Originating Broker Firm number **(The underlying firm's NSCC ID number, for firms transacting through an MF Agent)**	O	U5

The following record changes are applicable to FATCA enhancements:

16. F55 – Activity Reporting Records (Sequence # - will be provided in final record layouts)

➢ **Add a new Optional "FATCA Withholding Indicator" field:**
   ➢ Add indicator values: 0 = No, 1 = Yes

This field provides the ability to communicate whether FATCA withholding was applied to the distribution.

Field Name	Len	Type	Description	Opt/ Req	Reject Code
FATCA Withholding Indicator	1	A/N	0 = No 1 = Yes	O	TBD

➢ **Add a new Optional/Conditional "FATCA Withholding Amount" field:**
  ➢ Add rule: required if FATCA Withholding Indicator = 1

This field provides the ability to indicate the FATCA withholding amount applied to the distribution and is required for FATCA tax reporting purposes.

Field Name	Len	Type	Description	Opt/ Req	Reject Code
FATCA Withholding Amount	16	N	99,999,999,999,999.99	O/C	TBD

➢ **Add a new Optional/Conditional "FATCA Withholding Rate" field:**
  ➢ Add rule: required if FATCA Withholding Indicator = 1

This field provides the ability to indicate the FATCA withholding rate applied to the distribution and is required for FATCA tax reporting purposes.

Field Name	Len	Type	Description	Opt/ Req	Reject Code
FATCA Withholding Rate	2	N	.99	O/C	TBD

Dividend Rate and Record Date Share fields will affect the following records:

17. F61/F62 - Dividend Header Records, Seq 1

➢ **Rename Dividend Distribution Types to better represent the information being transmitted in these fields.**

Field Name	Start	End	Len	Type	Current Description	New Description	Opt/ Req
Dividend Distribution Type	7	7	1	N	1 = Accrual 2 = Equity	**1 = Daily Accrual** **2 = Declared Distribution**	R

➢ **Modify Sequence Number field on F61/F62 sequence #1**
  ➢ Change from Optional to Required

With the addition of a second sequence, this field will be required.

Field Name	Start	End	Len	Type	Current Description	New Description	Current Opt/Req	New Opt/ Req
Sequence Number	107	108	2	A/N	01	**01 (Required)**	O	**R**

➢ **Create new Sequence 2 for F61, F62 records**

    ➢ **Add rule "This is a required record"**
    ➢ **Create new Required 'Dividend Rate/Capital Gain Rate - Extended' field**

A second rate field (Dividend Rate/ Capital Gain Rate – Extended) will be added to the Dividend/Gain records allowing funds to communicate an extended rate. Funds will be required to provide the rate in both the existing Dividend Rate/Capital Gain Rate field (sequence #1) and the new Dividend Rate/ Capital Gain Rate – Extended field (sequence #2). Funds that do not create an extended rate will provide the same rate in both fields.

Recipients of the file requiring extended rates will program to receive the rate from the new Dividend Rate/ Capital Gain Rate – Extended field; this field will also represent the rate when there is not an extended rate, allowing the receiver to gather the rate from one field.

Field Name	Start	End	Len	Type	Description	Opt/ Req
Clearing/Settling Firm Number	8	11	4	A/N		R
Security Issue Number	12	20	9	A/N		R
Clearing/Settling Fund Number	88	91	4	A/N		R
Dividend Rate/ Capital Gain Rate - Extended	92	106	15	N	999,999.999999999 **Funds that do not calculate an extended rate must enter the rate provided in the dividend rate/capital gain rate field (start 45-end 49 in Seq #1) in this field as well.**	R

18. F63 – Dividend/Capital Gain Detail for Cash Accounts Not Subject to Withholding

➢ **Modify Sequence Number field on F63 sequence #1**
    ➢ Change from Optional to Optional/Conditional
    ➢ Add rule 'Required if Record F63 sequence 2 follows'

Field Name	Start	End	Len	Type	Current Description	New Description	Current Opt/Req	New Opt/ Req	Reject Code
Sequence Number	107	108	2	A/N	01	**01 Required if Record F63 sequence 2 follows**	O	**OC**	**37**

➢ **Create Seq 2 for F63 Dividend/Capital Gain Detail for Cash Accounts Not Subject to Withholding record**
    ➢ Add rule 'Required if Dividend Distribution Type 2 (Declared Distribution) is provided in Header F61/F62 records'

- ➢ **Create new Optional/Conditional 'Record Date Shares' field**
  - ➢ Add rule 'Required for Dividend Distribution Type 2 (Declared Distribution)'

This new field will communicate the share amount the declared dividend or capital gain is being paid on.

Field Name	Start	End	Len	Type	Description	Opt/ Req	Reject Code
Record Date Shares	94	106	13	N	999,999,999.9999 Required for Dividend Distribution Type 2 (Declared Distribution)	OC	U6

19. F64 – Dividend/Capital Gain Detail for Cash Accounts Subject to Withholding, Seq 2

- ➢ **Add new rule to Sequence 2 for F64 record**
  - ➢ 'Record Required if Distribution Type 2 (Declared Distribution) is provided in Header F61/F62 records'

- ➢ **Create new Optional/Conditional 'Record Date Shares' field**
  - ➢ Add rule 'Required for Dividend Distribution Type 2 (Declared Distributions)'

Field Name	Start	End	Len	Type	Description	Opt/ Req	Reject Code
Record Date Shares	78	90	13	N	999,999,999.9999 Required for Dividend Distribution Type 2 (Declared Distributions)	OC	U6

20. F65 – Dividend/Capital Gain Detail Record for Reinvest Accounts Not Subject to Withholding, Seq 2

- ➢ **Add new rule to Sequence 2 for F65 record**
  - ➢ 'Record Required if Distribution Type 2 (Declared Distribution) is provided in Header F61/F62 records'

- ➢ **Create new Optional/Conditional 'Record Date Shares' field**
  - ➢ Add rule 'Required for Dividend Distribution Type 2 (Declared Distributions)'

Field Name	Start	End	Len	Type	Description	Opt/ Req	Reject Code
Record Date Shares	62	74	13	N	999,999,999.9999 Required for Dividend Distribution Type 2 (Declared Distributions)	OC	U6

21. F66 – Dividend/Capital Gain Detail Record for Reinvest Accounts Subject to Withholding, Seq 2

➢ **Add new rule to Sequence 2 for F66 record**
  ➢ 'Sequence Required if Distribution Type 2 (Declared Distribution) is provided in Header F61/F62 records'
➢ **Create new Optional/Conditional 'Record Date Shares' field**
  ➢ Add rule 'Required for Dividend Distribution Type 2 (Declared Distributions)'

Field Name	Start	End	Len	Type	Description	Opt/ Req	Reject Code
Record Date Shares	78	90	13	N	999,999,999.9999 Required for Dividend Distribution Type 2 (Declared Distributions)	OC	U6

The following record changes are applicable to FATCA enhancements:

22. Dividend Reporting Records (F64/F66)

➢ **Add a new Optional "FATCA Withholding Indicator" field to the Dividend/Capital Gain Detail for Cash Accounts Subject to Withholding Record (F64, Seq 2) and Dividend/Capital Gain Detail Record for Reinvest Accounts Subject to Withholding Record (F66, Seq 2)**
  ➢ Add indicator values: 0 = No, 1 = Yes

This field provides the ability to transmit whether FATCA withholding was applied to the distribution.

Field Name	Len	Type	Description	Opt/ Req	Reject Code
FATCA Withholding Indicator	1	A/N	0 = No 1 = Yes	O	TBD

➢ **Add a new Optional/Conditional "FATCA Withholding Amount" field to the Dividend/Capital Gain Detail for Cash Accounts Subject to Withholding Record (F64, Seq 2) and Dividend/Capital Gain Detail Record for Reinvest Accounts Subject to Withholding Record (F66, Seq 2)**
  ➢ Add rule: required if FATCA Withholding Indicator = 1

This field provides the ability to transmit the FATCA withholding amount applied to the distribution and is required for FATCA tax reporting purposes.

Field Name	Len	Type	Description	Opt/ Req	Reject Code
FATCA Withholding Amount	16	N	99,999,999,999,999.99	O/C	TBD

➢ **Add new Optional/Conditional "FATCA Withholding Rate" field to the Dividend/Capital Gain Detail for Cash Accounts Subject to Withholding Record (F64, Seq 2) and Dividend/Capital Gain Detail Record for Reinvest Accounts Subject to Withholding Record (F66, Seq 2)**
  ➢ Add rule: required if FATCA Withholding Indicator = 1

This field provides the ability to transmit the FATCA withholding rate applied to the distribution and is required for FATCA tax reporting purposes.

Field Name	Len	Type	Description	Opt/ Req	Reject Code
FATCA Withholding Rate	2	N	.99	O/C	TBD

23. F69 – Dividend/Capital Gain Second Trailer By Firm *

➢ **Rename "Total Withholdings" field to "Total NRA Withholdings" to better represent the information being transmitted in this field.**

Current Field Name	New Field Name	Start	End	Len	Type	Description	Opt/Req
Total Withholdings	Total **NRA** Withholdings	66	81	16	N	99,999,999,999,999.99	R

➢ **Add "Sequence Number" field**
  ➢ Add value = "1"

Current Field Name	New Field Name	Start	End	Len	Type	Description	Opt/Req
Filler	**Sequence Number**	4	4	1	A/N	**1**	R

➢ **Create new Sequence 2**
  ➢ Add rule "This is a required Sequence"
  ➢ Create a new "Total FATCA Withholdings" field

The Total FATCA Withholdings field will be added to this sequence to provide the ability to transmit total FATCA withholdings for the detail records that follow each dividend header.

Field Name	Len	Type	Description	Opt/ Req
System Code	1	A/N	F = Fund	R
Record Type	2	A/N	69	R
Sequence Number	1	A/N	2	R

Field Name	Len	Type	Description	Opt/Req
Firm Clearing Number	4	N		R
Security Issue Number	9	A/N		R
Total FATCA Withholdings	16	N	99,999,999,999,999.99	R

*These modifications are currently being validated by NSCC; final modifications will be reflected in the record layouts.

24. N80 - Dividend/Capital Gain Settlement Summary Output Detail Record: Add a FATCA Withholding indicator

➢ Add a new indicator value "F = FATCA".

A new FATCA Withholding indicator is required to provide the ability for the FATCA Withholding Amount (F64/66) to settle via Networking if certain conditions are met**.

Field Name	Len	Type	Description
Settlement Indicator	1	A/N	'D' = Dividend Settlement 'N' = Non Resident Alien Tax Withheld 'S' = Spillover Dividend 'T' = TEFRA Withholding **'F' = FATCA Withholding**

** For Networking Level 3 accounts, a Settlement Record (N80) may be generated for the amount populated in the F64/66 FATCA Withholding Amount field if certain conditions are met. For details, see pages 16-17 of the Networking Technical Manual.

DTCC Payment aXis Enhancements

The following DTCC Payment aXis records will be enhanced for new plan account information:

25. DTCC Payment aXis Detail Record (B/F31)

- ➤ **Create Optional Sequence 3 for DTCC Payment aXis Detail Record B/F31**
- ➤ **Create new Optional field 'Plan Account Number'**
- ➤ **Create new Optional/Conditional field 'Plan Account Number Indicator'**
  - ➤ Add rule 'Required if Plan Account Number is provided'
  - ➤ Add valid indicator values of: 1 = Trust, 2 = TPA, and 3 = Record Keeper

The new fields will allow firms and funds to communicate plan account information.

Field Name	Start	End	Len	Type	Description	Opt/ Req	Reject Code
Plan Account Number	5	24	20	A/N	Plan account at the Trust, TPA, or Record Keeper	O	
Plan Account Number Indicator	25	25	1	A/N	Required if Plan Account Number is provided. 1 = Trust 2 = TPA 3 = Record Keeper	OC	U7

All Fund/SERV, Networking and DTCC Payment aXis records will be changed to reflect the following Social Code enhancements:

26. Social Code Modifications

- **Eliminate Social Codes** - NSCC will eliminate the following social codes:
  - 02 (Female)
  - 10 (Keogh)

The best practice for accounts with social code 02 or 10 are:
  - 02 (Female) map to 01 (Individual)
  - 10 (Keogh) map to one of the following:
    - 34 Simplified Employee Pension (SEP-IRA) – (non-prototype)
    - 50 Single K (non-prototype)

NSCC will reject all records received with social code 02 or 10 beginning with the effective date of **Monday, November 18, 2013**.

- **Add New Social Codes** – NSCC will add the following new social codes:

Social Code	NSCC Social Code Description
64	Retirement Plan Omnibus
65	Transfer On Death - Individual
66	Transfer on Death - Joint Tenant with Rights of Survivorship or Tenants by Entirety
67	Section 529 Account - Entity
68	Section 529 Account - Corporate
69	457(b) Plans - (fund-prototype)
70	457(f) Plans (non-prototype)
71	Non-Qualified Deferred Compensation Plan (non-prototype; not participant directed)
72	Non-Qualified 403(b) Plans (non-prototype)
73	403(b) Plan FBO Participant Name/Acct # (non-prototype)
74	40 Act Registered Fund of Funds
75	Non-40 Act Registered Fund of Funds
76	IRA Beneficiary Distribution Account - (fund-prototype)
77	Roth IRA Beneficiary Distribution Account - (fund-prototype)
78	401(k) Plan FBO Participant Name/Acct # (non-prototype)
79	Profit Sharing Plan FBO Participant Name/Acct # (non-prototype)
80	Money Purchase Plan FBO Participant Name/Account # (non-prototype)
81	Health Savings Plan FBO Participant Name/Acct # (non-prototype)
82	Government Sponsored Plan (non-prototype)
83	Insurance Company Group Trust or Pooled Separate Account Limited to retirement plan assets
84	Investment Clubs; Unions; Unincorporated Association; Miscellaneous Organizations
85	Estate Account

Members and Limited Members are encouraged to add the new social codes and map to their internal codes. Funds and firms have requested the addition of the above codes to provide transparency necessary for account oversight.