

# GCA VS Volume 3 – Issue 2 April 2007 Newsletter

D T C C ' s G l o b a l C o r p o r a t e A c t i o n s U p d a t e

*GCA VS Newsletter, DTCC's Global Corporate Actions Update, is a periodic email newsletter about global corporate actions from The Depository Trust & Clearing Corporation (DTCC), the leading source of corporate actions announcements in the world. The GCA VS Newsletter keeps our customers, vendor partners and other market participants apprised of key developments within DTCC and the industry that impact global corporate action announcements.*

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## DTCC Begins Move to Update ISO 15022

The Depository Trust & Clearing Corporation (DTCC) has begun an effort to upgrade and enlarge the ISO 15022 standard to include a number of event types and other data fields not now in the international standard.

According to David Hands, director, DTCC Solutions Product Management, DTCC presented to ISITC-IOA (Industry Standard for Institutional Trade Communication – International Operations Association) a list of about 175 corporate events and data elements not currently in the ISO 15022 data dictionary for corporate actions. DTCC, as part of its corporate action re-engineering initiative (including GCA VS), will be offering participants and clients the option of receiving either ISO 15022 or XML data files. In order for participants and clients to maximize straight-through processing (STP) opportunities from the ISO file, the missing data elements, which will otherwise be placed in “structured” text, should be added to the standard.

Hands said the ISITC Corporate Action Working Group and the Securities Industry and Financial Markets Association (SIFMA) agreed to form a committee to examine, the proposed new elements and to make appropriate recommendations to SWIFT for changes. ISITC acts as the National Markets Practice Group for the U.S. to the international standards-making bodies. If accepted, changes by SWIFT to the standard could be incorporated into ISO 15022 in the 2009 release. Although 2008 will see the next release of the standard, the timeframes to submit changes are after DTCC's June deadline to publish the final version of the new data file formats and content.

Hands noted that while many of the corporate action event types and data elements might be unique to the U.S., there were many fields which could apply to the international arena as well, now or in the near future. Hands said SWIFT had essentially already accepted the premise that local standards should be more fully accepted into the standards.

“We want to have as much straight-through processing capability as possible,” said Hands. “That can’t happen if a large number of fields and data aren’t included in the international standards. So we think this is a critical thing for the U.S. as we move to adopt international standards for future processing.”

Currently, the U.S. generates about 65% of the corporate actions for securities in the world. Up until recently, The Depository Trust Company (DTC), DTCC’s depository, used a proprietary standard for announcing and processing corporate actions for DTC-eligible securities, which currently include securities from more than 107 other countries.

However, as DTCC has increasingly moved to provide global services, both the announcement and processing systems have moved to modernize and expand their services for an international customer base, including using international communications standards. Both the corporate actions announcement information and processing systems at DTCC will soon be moving to use only the ISO 15022 standard and an XML format of tagged fields. The harmonized formats are available on DTCC’s web site under <http://www.dtcc.com/reengineering/corpactions/specs.html>.

“It’s to everyone’s advantage if we can negotiate many of the data fields and elements we have into the international standard, since from there we can move on to having issuers use XBRL or other format to make data on corporate actions available and readable by machine,” Hands said. “But getting ISO updated is a critical first step before we can do that, in my opinion.”

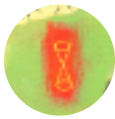
Hands also noted that DTCC would be talking with Euroclear, Clearstream and other ICSDs and central securities depositories globally to determine if there were commonalities with the data fields and types that DTCC used, and which could help engender broad international support for altering ISO 15022 as a result.

Both ISITC-IOA and SIFMA members will be participating in the committee being formed. They will examine the data fields DTCC has identified that are not currently included in the ISO 15022 standards and make recommendations on which should be provided to SWIFT. Firms that would like to have a representative on the committee can contact David Hands at [dhands@dtcc.com](mailto:dhands@dtcc.com) or by phone at +1 212 855-5894.



## **New Customer for GCA VS: Abbey Financial**

The Depository Trust & Clearing Corporation (DTCC) recently announced that Abbey Financial Markets has chosen DTCC’s Global Corporate Action Validation Service (GCA VS) to help them automate, streamline and reduce risk associated with corporate actions announcements. The full press release announcing Abbey Financial is available at [http://www.dtcc.com/PressRoom/2007/abbey\\_chooses\\_dtcc.html](http://www.dtcc.com/PressRoom/2007/abbey_chooses_dtcc.html).



## Upcoming Industry Events

DTCC will be attending, speaking and/or exhibiting at many industry conferences throughout 2007 to inform you of how its Global Corporations Actions Validation Service can help you manage your Corporate Actions processing needs more efficiently and with less risk. We look forward to seeing you at these and other events.

**April 18 – New York – Annual Technology for Securities Operations Conference sponsored by Securities Operations Forum**

**May 21 – London – ISIPS 2007 Conference**

**May 22 - New York – Annual Securities Operations Conference sponsored by Securities Operations Forum**

*We hope you find the GCA VS Newsletter to be useful and encourage you to share it with your colleagues. **If you would like to add others to the email list, or if you have any questions, comments or suggestions, please send them to:** [gcanewsletter@dtcc.com](mailto:gcanewsletter@dtcc.com). Please include your full name, title, functional area, company and email address. We want to hear what you re interested in.*