

# GCA VS

Volume 4 – Issue 1 March 2008

## Newsletter

DTCC's Global Corporate Actions Update

*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.*

Depending on firewall configurations, you may need to copy and paste any link listed below into your browser to connect to the articles.



### GCA Validation Service - Overview

GCA VS provides a centralized source of “scrubbed” corporate action announcement information on global securities. For banks, broker/dealers, investment managers and other financial institutions, the GCA VS changes the way corporate action announcements are managed by reducing the high fixed costs associated with this labor-intensive processing. GCA VS validates the information across vendors, custodians, prospectuses, exchanges and other sources, and publishes the cleansed data via an Internet browser and via proprietary or ISO 15022 compliant files, multiple times during each day. The global service has regional presence in the major markets, works in 16 languages, receives data from 138 custodians and operates round-the-clock. For 2007, GCA VS provided 1 million unique corporate action ‘announcements’ (mandatory and voluntary) and 3 million ‘scheduled payments’ against nearly 2 million Equities, Fixed Income and Structured Securities, across more than 160 countries and territories.



### Structured Securities - Q1 2008

GCA VS begun offering corporate actions announcement information on ‘structured securities’, such as Collateralized Debt Obligations (CDOs) and Collateralized Mortgage Obligations (CMOs) in January’08. Interest from customer firms in these securities has increased dramatically since the subprime mortgage crisis hit the U.S. in late summer. As most structured securities in the U.S. are book-entry only, and as DTC (DTCC’s depository subsidiary) is the principal and fastest information source for the market, a number of GCA’s customers requested that structured security event information should be added to the existing GCA VS publication file. Firms interested in receiving this event information, should subscribe to the “scheduled payments” option, ensure structured securities are on their SOI and that the number of intra-day publication feeds is set accordingly, e.g. ‘15’. This option is offered at no additional cost.



### Most Timely Intra-day Source from DTC - Q2 2008

Currently, with the exception of CMO information, DTC publishes its corporate action event data as end-of-day publication files. This information is sent to all of

DTC's clients, and also to GCA VS. GCA VS is undertaking an initiative to ensure that the service has the most up-to-date DTC data, rather than waiting for the end-of-day files, and will process intra-day updates. The expected intra-day frequency (subject to change) will be:

**Dividend Events** - 6x per day

**Redemption Events** - 6x per day

**Reorganization Events** - 3x per day

The improved timeliness of DTC data will enable clients to depend on GCA VS for all of their corporate action updates and reduce their need to monitor the related DTC terminal functions. The change is scheduled for April 2008 and will be offered at no additional cost.



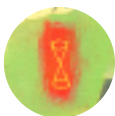
### **Enhanced Service Levels - Q3 2008**

Driven by customer needs, GCA VS has started to enhance its data sourcing by supplementing its existing sources with information from press releases, newswires and direct feeds from Exchanges. As a press release is, typically, one of the fastest ways that an issuer can inform the market of a corporate action event, an additional impact is that the change allows the service to re-cast its contractual Service Level Agreements (SLAs). For example, a Stock Split event will be validated and approved by [Added Date + 1 day] in comparison with today's SLA of [Ex Date - 7 Days]. The result to customers will be more timely data. This change of SLAs will cover all event types, except for Cash Dividends, and will be staged, event type by event type, between end Q1 through to the end of Q3 2008.



### **Enhanced Browser Capability - Q4 2008**

Driven by customer feedback, GCA VS plans to overhaul the Internet-based browser tool by adding a range of new features. These new features will include: Multiple Security IDs Returned; Saved-Searches; Watchlists; Payout Summary on Search Results; Easy Help Desk Ticket Submission from 'Event View'; Attached Documents, e.g. Prospectus; Sub-Event Type Search; User Defined Event and Country Groups; Easy Identification of 'Last Published Time' for the Event. These additional customization/personalization features will make the application easier to use with more functions. The changes are scheduled for Q4 2008 and will be offered at no additional cost.



### **CA Reengineering - 2010**

The 'CA Re-engineering' project is a large, multi-year initiative that spans all announcements from DTC and GCA VS. It creates a single corporate action engine across 'announcements' and 'processing' that uses the existing GCA VS "WAVES" platform. This initiative is important as it directly affects all DTCC clients that take corporate action data. All existing legacy files (e.g. DIVANN, REDEM and REORG) as well as interface systems (e.g. RIPS, DIVA) will be decommissioned and replaced with new publication files in industry-standard ISO15022 & XML formats, and a new unified, Web-based user interface. Although GCA VS customers will also have to make some mapping changes, these changes will be limited as the new structure (single event ID, new event types, new options and payouts structure) closely fol-

lows the existing GCA VS structure. For DTC customers, the changes are much larger, as the existing structure of 'Function Codes' and 'Envelopes' is being entirely replaced. Customers will be able to begin testing (connectivity, event structure, receive test messages) in Q3 2009 and the 'announcements' phase goes-live in Q1 2010. All legacy files will be decommissioned in Q3 2012.

**For more information**, click on "Corporate Action Reengineering" at <http://www.dtcc.com/products/gca/>

*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. If you'd like to stop receiving the newsletter, simply send a message asking to be removed from the email list and include your name, company and email address. The newsletter is also available on the DTCC.com web site at [www.dtcc.com/gca](http://www.dtcc.com/gca).*