

The logo for Global Corporate Actions (GCA) features the letters 'GCA' in a large, bold, white font with a dark outline. The letters are set against a background of a stylized globe with a warm, orange and yellow color palette, suggesting a global or financial theme.

Newsletter

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DTCC's Global Corporate Actions Update

The GCA Newsletter 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. It keeps our customers, vendor partners and other market participants apprised of key developments that we are undertaking across the global corporate actions announcement cycle.

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

The Global Corporate Actions (GCA) services are offered by DTCC Solutions LLC, a wholly owned subsidiary of DTCC.

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DTC 'Processing' Data in GCA Feed – Q4 09

The 'CA Re-engineering' project will re-write DTCC's corporate actions systems. This is a major undertaking – in 2008, DTCC paid out nearly US\$ 4 trillion in dividend, redemption and reorg payments.

For corporate action announcements, DTCC is adopting a single platform, WAVES, which is currently used by GCA.

As the first step of CA Re-engineering, 276 out of the total of 329 DTC fields used for 'processing' that are currently published on the legacy CCF files (e.g., Chill Dates, Function Code, Envelope Number and key DTC-Processing Dates) will be included on the GCA Proprietary file, in reserved space.

This additional data will be available as a 'subscription option' for GCA clients, and clients that do not need the data will not have to make file mapping changes.

The release is scheduled for delivery in Oct 09.

Improved Data Sourcing

In addition to taking intra-day feeds from the Depository Trust Company (DTC), which are only available through GCA and not available to any third party, GCA has enhanced its service by sourcing its information from press releases and newswires.

GCA has brought on additional staff to cover some 18 newswires from around the world, including PR Newswire, Business Wire, Market Wire, Dow Jones, Reuters, Canada News Wire, All Africa, AFX Asia, Financial Deals, Financial Wire, Knobias, and M2 Presswire, among others.

This change, coupled with the existing process of validating the information with the issuer or agent, has allowed GCA to recast its SLAs (i.e. the time in which the service is contractually obligated to get the event into a clean, scrubbed, state with all the information available in the market without penalty).

All event types, with the exception of cash dividends and full/partial calls have already been moved to the SLA, which has made the service more timely.

Enhanced Coverage

GCA is currently determining the feasibility of enhancing its data coverage, across a number of areas:

- Unit Trust as provided by existing data vendors;
- CMO/ABS coverage on Fannie/Freddie issues from the Fed;
- Tax information - specifically 'qualified / unqualified' flag; 'income classification' flag; and 'Section 302' flag;
- Global Schedule Payments, as provided by existing data vendor(s);
- Derivatives, specifically equity derivatives including the necessary factor adjustments.

Where data is provided by our existing sources, delivery is likely to be via subscription option, without additional charge.

However, where reliance on an additional data provider is needed, delivery will be via subscription option, with additional charge to cover third-party costs.

Feasibility, timing and commercials will be determined during Q4 2009.

CA Re-engineering Initiative – ISO 20022 is Coming ...

Our CA Re-engineering initiative is a major, multi-year, project spanning announcements, elections to payments. Its overall objectives are:

- to allow conformance with industry standards;
- to improve system maintainability and flexibility;
- to provide customers with a unified, web-based user interface that spans the entire life-cycle, from announcement to payment.

Back in 2008, and in light of the severe economic downturn, we took steps to reduce the need for the industry to make immediate system changes. However, in the background, the planning has been completed.

We will become an early adopter of ISO 20022, making the standard the backbone of our efforts. ISO 20022 messages will be offered to all DTC Participants and all GCA customers, by the end of 2010 / early 2011.

We intend to decommission all existing legacy files, including GCA proprietary file format on, or before, 2015.

XBRL - Business Case for SEC

DTCC, SWIFT, XBRL-US, and representation from ISO have collectively been asked by the Securities and Exchange Commission (SEC) to produce a formal business case regarding the benefits of extensible business reporting language (XBRL) usage for corporate actions, spanning issuers, banks, brokers/dealers, custodians and the investment community.

XBRL enables issuers to electronically 'tag' data from within software applications, such as MS Word. The issuer, as they write the press release or prospectus, follows the regular process, except they tag key data. The tagged data is 'embedded' within the saved .pdf or .doc file, providing accuracy, accessibility and transparency of key data all along the corporate announcement chain.

The industry group is aiming to present the business case report to the SEC, which will quantify the cost savings and risk reduction for the industry, before the year end.

Assuming success, XBRL will bring an end to the inefficiencies of paper-based documentation and the problems of accuracy, timeliness and event misidentification and will be an integral part of CA Re-engineering.

YTD Performance Metrics

GCA tracks many metrics on a daily, weekly and monthly basis. Of these, the four metrics that are of most interest to our clients are as follows:

Timeliness Performance

Where each event must reach a clean and approved state within the SLA timeframe, was 99.8% versus a target of 99.0%.

Error Rate Performance

Where our clients have seen discrepancies before our staff have fully validated the event, was 0.023% versus a target of 0.050%.

Close Time Performance for Help Desk Tickets

The time to resolve and close-out an incident for a client, was 8.9 hours versus a target of 10 hours.

Customer Satisfaction Performance

The portion of clients that score responses as “very satisfied” or “satisfied”, was 88.8% versus a target of 88%.

“You cannot control what you cannot measure”



Conferences

We are speaking at the following industry conferences:

1 Jun	ISITC Conference, Westlake, CA
16 Jul	SIFMA AMF, New York, NY
30 Jul	XBRL US Workshop , San Jose, CA
15 Sep	SIBOS: XBRL/SWIFT join forces to improve transparency & increase automation
16 Sep	SIBOS , Hong Kong: <i>ISO 20022 for corporate actions: Today or tomorrow?</i>
15-16 Sep	Wells Fargo Shareowner Services Client Conference, Minneapolis, MN
20-21 Sep	ISITC , Boston, MA
6-8 Dec	ISITC , West Palm Beach, FL

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