

NEW SERVICE BULLETIN

Fixed Income Clearing Corporation



*The Depository Trust &
Clearing Corporation*

NEW GSD REPORTS FOR TREASURY MARKET PRACTICES GROUP (TMPG) SETTLEMENT FAIL CHARGE

April 29, 2009

BACKGROUND

As described in FICC Important Notice GOV#068.09, Approval of FICC Rule Filing 2009-03 – Fails Charge, effective on May 1, 2009 the Government Securities Division (GSD) will implement the recommended Treasury Markets Practices Group (TMPG) charge on failed Treasury Obligations.

To provide member firms information on their settlement fails and the resulting calculation, starting on May 1, 2009, two new reports will be available through FICC's GOV Report Center, contained in the DVP folder under the column heading "OTHER".

REPORTS

The "Daily TMPG Fails Detail" report will contain the participant's daily U.S. Treasury Fails, Broker Fails and Held Fail Items. The following information will be provided for each failed obligation:

- CUSIP – Cusip of the failing item
- DESCRIPTION – Security description
- RECEIVE ORDERS – Par value of fail to Receive
- RECEIVE AMOUNT – The settlement amount of the fail to Receive
- DELIVER ORDERS – Par value of the fail to Deliver
- DELIVER AMOUNT – The settlement amount of the fail to Deliver
- STATUS – Indicates a fail to Receive (RCVF) or a fail to Deliver (DLVF)
- GSCC REFERENCE NUMBER – GSD's Obligation ID
- DAYS ASSESSED – The number of days the fail charge will be applied
- EST TMPG CREDIT DEBIT – The calculated TMPG charge. Numbers are expressed as they will appear on the monthly invoice; positive numbers representing additional debits and negative numbers as credits.

The second report, "Month to Date Fails Total", lists the total of the participant's fails activity by day for the month. The following information will be provided each day:

- SETTLEMENT DATE – The settlement date of the failed obligation
- RECEIVE ORDERS – Par value of all fails to Receive by settlement day
- DELIVER ORDERS – Par value of all fails to Deliver by settlement day
- NET ORDERS – The net of the Receive and Deliver Par by settlement day. The net result (positive\negative) will follow the convention of the calculated TMPG debit\credit.

- RECEIVE AMOUNT– The total settlement amount of the fails to Receive
- DELIVER AMOUNT – The total settlement amount of the fails to Deliver
- NET AMOUNT - The net result of the Receive Amount and the Deliver Amount
- EST NET TMPG CREDIT DEBIT – The calculated TMPG charge based on the value of the NET AMOUNT. Numbers are expressed as they will appear on the monthly invoice; positive numbers representing additional debits and negative numbers as credits.

A new line item, TMPG, on the GSD Monthly Billing Invoice will contain the net total of credits and debits for the billing period. Additional line items may appear if any adjustments are required. The TMPG charge will first appear on the May invoice to be published on June 5, 2009.

CONTACTS

As always, FICC is interested in comments from its members. Any such comments on the FICC calculation of the TMPG Settlement Fail charge or related reporting should be directed to Eugene Ing at (212) 855-7526 or eing@dtcc.com or Chris Moran at (212) 855-7626 or cmoran@dtcc.com.

Questions regarding the Important Notice should be directed to your DTCC Relationship Manager.