

# ACATS Industry Best Practices

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## Transfer Reject Best Practices

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This Best Practice document outlines business reasons and common uses for ACAT reject codes and their suggested best practices.

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	Reject Code	Reject Reason	Business Reason / Common Use	Suggested Best Practice
Soft reject - Deliverer	01	Social Security number/Tax ID mismatch	<ul style="list-style-type: none"> <li>* Transfer submitted with an incorrect SSN or TID</li> <li>* Contra firm has 2nd account holder's SSN as primary</li> <li>* SSN vs TID used for a Trust account</li> <li>* Typographical error</li> </ul>	<ul style="list-style-type: none"> <li>* Memo which digit(s) mis-keyed or if entire sequence is incorrect</li> </ul>
	02	Account title mismatch	<ul style="list-style-type: none"> <li>* Name discrepancy between delivering and receiving accounts</li> <li>* Account type mismatch (example: IRA to retail)</li> </ul>	<ul style="list-style-type: none"> <li>* Use if name discrepancy, but all other info matches</li> <li>* Use if account type mismatch and docs needed</li> <li>* Memo account type mismatch info (ex. IRA to Single invalid)</li> </ul>
	03	Documentation needed	<ul style="list-style-type: none"> <li>* Account type mismatch that requires documentation to process (example: LOA)</li> <li>* Name discrepancies (example: maiden vs. married name)</li> <li>* Estate or court documentation needed</li> </ul>	<ul style="list-style-type: none"> <li>* Memo specific docs needed and docs on file</li> <li>* Fax should be used on an exception basis only</li> </ul>
	04	Account Flat	<ul style="list-style-type: none"> <li>* Account has a zero balance</li> <li>* Value requested less than available balance</li> <li>* Remaining value less than account minimum</li> <li>* Liquidation or rebalance in process at time of transfer</li> </ul>	<ul style="list-style-type: none"> <li>* If account flat, memo date account went flat</li> <li>* If value less than account minimum, memo account minimum requirements</li> <li>* If liquidation or rebalance in process, memo when transfer can be resubmitted</li> </ul>
	05	Invalid account number	<ul style="list-style-type: none"> <li>* Most firms auto-reject if account is invalid/not recognized</li> <li>* Receiving firm may have submitted with wrong DTC number</li> <li>* Account number was mis-keyed when the transfer was submitted</li> </ul>	<ul style="list-style-type: none"> <li>* Memo when possible</li> <li>* Since most firms auto-reject, receiving firm should verify the account number/DTC number before contacting delivering firm service lines</li> </ul>

	Reject Code	Reject Reason	Business Reason / Common Use	Suggested Best Practice
Hard reject - Deliverer	06	Duplicate	* Multiple transfers submitted for same receiving account	* Memo if account in process of moving to another firm * Memo if account moving to a different account at the same receiving firm (note account or control number)
	07	Account in distribution or transfer	* Account liquidation or rebalance in process * Internal transfer in process * Account distribution in process	* If liquidation or rebalance in process, memo when transfer can be resubmitted * Memo note if an internal transfer or distribution taking place
	08	Client rescinded	* Client signed rescind letter to stop transfer	* Memo date rescind letter signed
	09	Missing Authorization Signature	* Risk/Margin approval required * Linked/Collateral accounts * Signature required for trustee or plan administrator * Restricted accounts * General Miscellaneous (ex. Stock plan accounts not vested, qualified plan with multiple participants)	* Memo reject reason and action required * If account restricted, memo restriction type (mail, legal, pledged, etc.)
Hard reject - Receiver	21	Account violates credit policy of the receiver (FUL, PTR)	* Violation of credit policy * Only asset is a mutual fund that is unable to be held at receiving firm * Last attempt to stop transfer for a client rescind * High risk security being transferred	* Memo when possible
	22	Unrecognized for residual credit (RCR) balance	* Unable to hold asset/high risk security * Account closed or no longer held at receiving firm * Request to reject received / sent in error	* Memo when possible
	23	Partial transfer (PTD) reject	* Gift indicator not set to "yes" * Closed account * Asset based reject / high risk security being transferred	* Memo when possible
	24	Fail reversal (FRV) reject	* Reject if no open fail * Asset no longer in account	* Memo when possible
	25	Reclaim (RCL) reject	* Invalid claim / not in good order * Open fail versus reclaim * Asset sold * Branch rejects reclaim	* Memo when possible
	27	Mutual fund cleanup (MFC) reject	* Cannot verify if shares have been received * Sent in error	* Memo when possible

