

IMPORTANT NOTICE

National Securities Clearing Corporation



A# 6384

P&S# 5954

DATE: January 23, 2007

TO: ALL DOMESTIC PARTICIPANTS

ATTENTION: MANAGING PARTNER/OFFICER,
OPERATIONS PARTNER/OFFICER,
DIRECTOR OF OPERATIONS,
COMPLIANCE OFFICER

FROM: Patrick Mapp

SUBJECT: OFAC Certification of Envelope Services Transactions Received From Domestic Participants

As indicated in Important Notice A #6376 / P&S #5946, NSCC will be implementing new procedures on **Friday, February 9, 2007** to require participants to provide an OFAC certification on all envelope services transactions by entering a "Y" in a new "OFAC Certified" required field on the "ECSP" function of the Participant Terminal System (PTS) for each credit list created.

The purpose of this notice is to provide further clarification on the OFAC certification required for each envelope service:

1. For the Envelope Settlement Service (ESS) and Inter-city Envelope Settlement Service (IESS) where the envelopes usually contain securities, participants will be certifying that they have screened the security issuer's name, the security issuer's country of incorporation, and the registered owner's name and address, if any, appearing on each certificate enclosed in the envelope against the list of OFAC Specially Designated Nationals and Blocked Persons and the list of OFAC sanctions programs (collectively, the "OFAC list") and there were no "valid matches" identified by such comparison. If, however, the certificate was assigned by the registered owner, participants need only certify that they have screened the name of the most recent assignee and that there were no valid matches identified.
2. For the Dividend Settlement Service (DSS) and Funds Only Settlement Service (FOSS) where the envelopes do not contain securities, participants will be certifying that they have screened the associated account owner's name and address, if any, and any related security issuer's name and country of incorporation for the transactions enclosed in the envelope against the OFAC list, and there were no "valid matches" identified by such comparison.

General questions regarding this notice may be directed to your DTCC Account Executive or to Relationship Services. Specific questions related to the envelope services operations should be directed to Thomas Joyce, Director of Securities Processing (212-855-2420). Other questions concerning the OFAC compliance programs being implemented at DTCC should be directed to the undersigned at 212-855-3690.

Patrick Mapp
Compliance Director
Office of Corporate and Regulatory Compliance