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DATE:	MARCH 8, 2013
TO:	ALL FULL SERVICE NSCC MEMBERS
FROM:	PRODUCT MANAGEMENT
ATTENTION:	P& S, OPERATIONS, CASHIERING, SETTLEMENTS, POST TRADE MANAGEMENT
SUBJECT:	OBLIGATION WAREHOUSE PHASE II ENHANCEMENTS RELEASE DATE CHANGED TO MAY 2, 2013

The National Securities Clearing Corporation (NSCC) will implement into production the Phase II Enhancements for the Obligation Warehouse (OW) on **May 2, 2013**, which is a delay to the previously announced date in Important Notice A#7564, P&S# 7134, dated January 8, 2013.

The OW Phase II Enhancements include the following:

1. De-coupling the exclusion indicators for the Continuous Net Settlement (CNS) system and Reconfirmation and Pricing Service (RECAPS).
2. Adding a new indicator – X-REORG – to exclude an obligation from being transformed by the application of any of the six mandatory corporate action events applied by OW.
3. Automating the closure of obligations in OW that settle through the DTC Envelope Settlement System.
4. Supporting the OW Control Number on DTC’s Settlement Money Market Instrument (MMI) Turnaround system, so obligations can be closed automatically upon settlement.
5. Enhanced OW Web features, including additional fields on the Obligation Search Engine and OW Web Report Center reports in a new CSV format that can be downloaded into Excel spreadsheets.
6. Defining “current price” as a price that is 5 days or newer, instead of 20 days, for use in the RECAPS process.

Additional information regarding these enhancements is provided in Important Notice A#7564, P&S# 7134, dated January 8, 2013. Participant testing is on-going and will continue to be supported throughout the implementation.

Another OW industry-wide RECAPS test is scheduled for Friday April 19, 2013.

Members should plan to reconcile all obligations on the first week in production, following the implementation, to determine what obligations should be marked with the exclude for RECAPS indicator, given the Withhold from CNS (a.k.a. X-CNS = yes) will no longer serve the dual purpose. The de-coupling of the exclusion indicators (item 1 above) will be effective during the production RECAPS, scheduled for May 17, 2013.

More information regarding OW is available on the DTCC Learning website under “Equities Clearance/Obligation Warehouse”. The site offers several webcasts and a comprehensive OW User Guide to broaden your knowledge about OW.

For additional questions contact your Relationship Manager or Business Operations at 1-888-382-2721 option 2, then 2.

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