



**A#:** 7609  
**P&S#** 7179  
**DATE:** APRIL 2, 2013  
**TO:** ALL PARTICIPANTS  
**ATTENTION:** MANAGING PARTNER/OFFICER; OPERATIONS  
PARTNER/OFFICER; MANAGER P&S DEPARTMENT; MANAGER  
DATA PROCESSING; CASHIER  
**FROM:** PRODUCT MANAGEMENT  
**SUBJECT:** EXCHANGE TRADED FUNDS IMPACT ON MAY 9, 2013

As announced in Important Notice [A 7429 P&S 6999](#), dated May 24, 2012 and Important Notice [A 7573 P&S 7143](#) dated January 25, 2013, NSCC plans to implement a new Exchange Traded Funds (ETF) system on the evening of processing date **May 9, 2013** along with below listed enhancements to legacy functionality and print image output from NSCC. *Legacy Machine-Readable input and output formats will not be impacted. **These enhancements apply to all ETF participants, including those that have not converted to the new ETF input and output format by May 9<sup>th</sup>.***

This notice re-emphasizes the changes to legacy functionality effective the evening of May 9<sup>th</sup>, so that participants can assess what, if any, impact the enhanced ETF functionality and print image reporting may have on their existing systems and operational procedures

The following section outlines the changes to legacy functionality and print image reporting effective the evening of May 9, 2013, impacting all ETF Agents and Authorized Participants (AP):

## **A Changes impacting all ETF Agents and APs**

1	<p><b><u>Self-Service Web Interface for ETF Agent AP Relationship (Self-Service for Create / Redeem or Trading Relationship)</u></b></p> <ul style="list-style-type: none"><li>• <i>Effective the evening of May 9, 2013, NSCC will implement an online self-service Relationship Management facility. All adds, updates and deletes to relationships on or after the go-live date must be managed through the online facility.</i></li><li>• <i>No action is necessary for participants existing ETF Agent- AP relationships: NSCC will establish all existing relationships as of the evening of May 9, 2013.</i></li><li>• <b>Please visit <a href="#">DTCC Learning</a></b> for detailed instructions on using the ETF Relationship Management tool.</li><li>• <b>Please contact <a href="mailto:rmsupport@dtcc.com">rmsupport@dtcc.com</a> or <a href="mailto:webimplementation@dtcc.com">webimplementation@dtcc.com</a></b> to request Super ACs entitlement to the Relationship Management tool.</li></ul>
2	<p><b><u>Enhanced Create/Redeem Instruction Detail (Blotter) Print Image Report</u></b></p> <p>As announced in Important Notice <a href="#">A 7429 P&amp;S 6999</a>, dated May 24, 2012 and Important Notice <a href="#">A 7573 P&amp;S 7143</a> dated January 25, 2013, <i>effective the evening of May 9th</i>, NSCC will produce the Create Redeem Instruction Detail (Blotter) print report in enhanced format only:</p> <ul style="list-style-type: none"><li>• Enhanced Create Redeem Instruction Detail (Blotter) Report – AutoRoute # 02260291 (the legacy AutoRoute # is maintained)</li></ul> <p><i>Once implemented, all ETF Agents and APs who subscribe to the legacy print report will receive the enhanced format print output.</i></p> <p>NSCC strongly recommends all participants to review the enhanced print image format prior to May 9<sup>th</sup> implementation.</p> <p><b><u>To access / view the enhanced format:</u></b></p> <ul style="list-style-type: none"><li>– Please see <a href="#">Appendix A</a> for Enhanced Create/Redeem Instruction Detail print report</li><li>– Please visit the <a href="#">DTCC website</a> for sample enhanced print reports.</li></ul>

The following section outlines the changes impacting ETF Agents only:

<b>B Changes impacting ETF Agents and APs</b>	
1	<p><b><u>Enhanced Portfolio Composition File (PCF) Submission:</u></b></p> <p>As announced in Important Notice <a href="#">A 7429 P&amp;S 6999</a>, dated May 24, 2012 and Important Notice <a href="#">A 7573 P&amp;S 7143</a> dated January 25, 2013, effective the evening of May 9<sup>th</sup>, NSCC will:</p> <ul style="list-style-type: none"><li>• Enable ETF Agents to submit multiple primary (T-1) and supplemental (T) PCF submissions.</li></ul> <p><b><u>Requirements for multiple PCF submissions:</u></b></p> <ul style="list-style-type: none"><li>• ETF Agents who plans to take advantage of the new multiple PCF submission functionality must notify Enterprise Service Center (ESC) to review and if necessary, change their DATATRAK setup to ensure they can submit multiple portfolios on May 9<sup>th</sup>.</li><li>• Please contact <a href="mailto:ESC@dtcc.com">ESC@dtcc.com</a> or ESC Hotline- 1-888-382-2721, Option 5 then 1 for assistance.</li></ul>
2	<p><b><u>Enhanced Supplemental PCF Submission:</u></b></p> <p>As announced in Important Notice <a href="#">A 7429 P&amp;S 6999</a>, dated May 24, 2012 and Important Notice <a href="#">A 7573 P&amp;S 7143</a> dated January 25, 2013, effective the evening of May 9<sup>th</sup>. NSCC will:</p> <ul style="list-style-type: none"><li>• Allow supplemental submissions for all portfolios except for foreign portfolios in the legacy format; the supplemental PCF submission and reporting for foreign portfolios can be accomplished through the enhanced format PCF input and output reports only.</li><li>• Enable ETF Agents to submit supplemental PCFs from 12:00 am (Midnight) through noon on T even if only component(s) rejected.</li></ul> <p><b><u>Key considerations for new expanded Supplemental PCF submissions:</u></b></p> <ul style="list-style-type: none"><li>• ETF Agents who plan to take advantage of the expanded supplemental features should ensure their respective APs are subscribing to the legacy ETF Supplemental PCF Output from NSCC.</li><li>• APs that do not subscribe to the Supplemental PCF output data file – AutoRoute # 02290256 should contact <a href="mailto:RMSupport@dtcc.com">RMSupport@dtcc.com</a>. Those APs who do custom creation and redemptions should also ensure they are subscribing to the Supplemental Domestic Custom Portfolio Composition File - AutoRoute # 02290272.</li><li>• APs could also access supplemental PCF output by subscribing to portfolios via new ETF Web. If a supplemental change is received for a subscribed portfolio the subscriber will receive an email alert notification. The subscriber can then access the web to view the latest portfolio.</li><li>• <b>Please contact</b> <a href="mailto:rmsupport@dtcc.com">rmsupport@dtcc.com</a> or <a href="mailto:webimplementation@dtcc.com">webimplementation@dtcc.com</a> to request Super ACs entitlement to the ETF Web.</li></ul>

## **B Changes impacting ETF Agents only**

### **3 Enhanced PCF and Create Redeem Receipt Reject Print Report**

As announced in Important Notice [A 7429 P&S 6999](#), dated May 24, 2012 and Important Notice [A 7573 P&S 7143](#) dated January 25, 2013, effective the evening of May 9<sup>th</sup>, NSCC will produce the below listed *print image reports* in enhanced format only; legacy formats will be discontinued.

- Enhanced ETF Create Redeem Receipt/Reject Report (*ETF Agents only*) – AutoRoute # 02120098 (the legacy AutoRoute # is maintained)
- Enhanced Consolidated Portfolio Receipt/Reject Report (*ETF Agents only*) - AutoRoute # 02260421 (the AutoRoute # for legacy PCF receipt/reject report for domestic portfolio).

*The legacy PCF receipt/reject report for foreign portfolios (AutoRoute # 02120270) and supplemental domestic portfolios (AutoRoute # 02290253) will be discontinued on the evening of May 9<sup>th</sup> and those results will be included in the enhanced consolidated Portfolio Receipt/Reject Report (AutoRoute # 02260421).*

Once implemented, all ETF Agents and APs who subscribe to their respective legacy print reports will receive the enhanced format print outputs.

#### **To access / view the enhanced formats:**

- Please see [Appendix B](#) for Enhanced ETF Create Redeem Receipt/Reject Report – AutoRoute # 02120098
- Please see [Appendix C](#) for Enhanced Consolidated Portfolio Receipt/Reject Report – AutoRoute # 02260421
- Please visit the [DTCC website](#) for sample enhanced print reports.

### **4 Real-time edit of PCF and Create/Redeem file submissions**

As announced in Important Notice [A 7429 P&S 6999](#), dated May 24, 2012 and Important Notice [A 7573 P&S 7143](#) dated January 25, 2013, effective the evening of May 9<sup>th</sup>, NSCC will:

- Edit each PCF and Create/Redeem submission in real time and send the Enhanced Consolidated Portfolio Composition Receipt Reject print report (AutoRoute # 02260421) and Enhanced Create Redeem Receipt Reject print report (AutoRoute # 02120098) to the ETF Agent for each individual file submission.

#### **Key consideration for ETF Agents:**

- ETF Agents must ensure they are setup to receive an edit report following each submission. Please contact [ESC@dtcc.com](mailto:ESC@dtcc.com) or ESC Hotline- 1-888-382-2721, Option 5 then 1 for assistance with multiple edit report setup.
- ***NSCC strongly recommends all ETF Agents test multiple edit reports functionality in the Participant Services Environment (PSE) region prior to May 9<sup>th</sup> launch.***

For questions about the ETF rewrite, please contact your Relationship Manager or the undersigned at [Abhardwaj@dtcc.com](mailto:Abhardwaj@dtcc.com).

Anuja Bhardwaj  
Product Management



**APPENDIX A Enhanced Create Redeem Instruction Detail (Blotter) Report – AutoRoute # 02260291**

**Sample Report**

NATIONAL SECURITIES CLEARING CORPORATION

CREATE / REDEEM ETF BLOTTER REPORT  
 TRADE DATE 03/08/2013

PAGE: 1  
 SETTLEMENT DATE 03/13/2013

MEMBER NO 00009999 TEST ACCOUNT FORWARD TO P & S DEPT

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 NSCC PORTFOLIO: ETF TRADING:  
 SYMBOL: A123BC ID: 00S000000 SYMBOL: TEST ISIN/CUSIP: US12347B1234  
 UNIT SIZE: 50,000 NAME: TEST PORT

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 TRANSACTION ID: 000000011111 BROKER: 00001234 EXEC BROKER: TRANSACTION FEE: 100.00DB

ETF UNITS CREATED : 3  
 TOTAL COMPONENT VALUE CREDITED: 479,361.960000  
 CASH VALUE DEBITED : 500.000000  
 TOTAL ETF VALUE DEBITED : 479,861.960000

\*\*\* ETF COMPONENTS \*\*\*

SYMBOL	DESCRIPTION	CUSIP/ISIN	CNS IND	CUST REO	COMPONENT SHARES DELIVERED	SHARES TO BE SETTLED	SETTLING PRICE	SETTLEMENT VALUE
AON	AON PLC ORD S	USG0408V1029	Y		1,629	4,887	3.500000	17,104.500000
ACGL	ARCH CAPITAL	USG0450A1054	Y		454	1,362	2.000000	2,724.000000
AXS	AXIS CAPITAL	USG0692U1090	Y		2,098	6,294	4.000000	25,176.000000
RE	EVEREST RE GP	USG3223R1089	Y		494	1,482	10.330000	15,309.060000
XL	XL GROUP PLC	USG982901021	Y		4,014	12,042	6.000000	72,252.000000
AFL	AFLAC INC	US0010551028	Y		2,972	8,916	8.000000	71,328.000000
ALL	ALLSTATE CORP	US0200021014	Y		2,542	7,626	1.100000	8,388.600000
AMP	AMERIPRISE FI	US03076C1062	Y		1,743	5,229	5.200000	27,190.800000
AIZ	ASSURANT INC	US04621X1081	Y		1,481	4,443	4.000000	17,772.000000
CB	CHUBB CORPORA	US1712321017	Y		2,202	6,606	1.000000	6,606.000000
CINF	CINCINNATI FI	US1720621010	Y		2,133	6,399	7.000000	44,793.000000
FNF	FIDELITY NATI	US31620R1059	Y		2,829	8,487	2.000000	16,974.000000
GNW	GENWORTH FINA	US37247D1063	Y		7,716	23,148	1.000000	23,148.000000
HIG	HARTFORD FIN	US4165151048	Y		3,530	10,590	4.000000	42,360.000000
LNC	LINCOLN NATIO	US5341871094	Y		3,268	9,804	9.000000	88,236.000000
TOTAL COMPONENT VALUE					39,105	117,315	TOTAL CREDIT:	479,361.960000

\*\*\* ETF SHARES ISSUED \*\*\*

SYMBOL	DESCRIPTION	CUSIP/ISIN	TOTAL ETF UNITS RECEIVED	SHARES TO BE SETTLED	SETTLING PRICE	SETTLEMENT VALUE
TEST	TEST PORT K	US12347B1234	3	150,000	TOTAL DEBIT :	479,861.960000



**APPENDIX C      Enhanced Consolidated Portfolio Receipt/Reject Report – AutoRoute # 02260421**

**Sample Report**

1	2	3	4	5	6	7	8	9	0	1	2	3	
123456789012345678901234567890123456789012345678901234567890123456789012345678901234567890123456789012345678901234567890123456789012345678901234567890123456789012													
				NATIONAL SECURITIES CLEARING CORPORATION								PAGE	1
				ETF PORTFOLIO RECEIPT / REJECT REPORT FOR TRADE DATE 02/02/2013									
6	ETF AGENT: 9999 XX	ETF AGENT /ETF			FILE ID: 00000001								
7	NSCC DATE PROCESSED: 02/07/2012						NSCC TIME PROCESSED: 19:45:11						
9	NSCC												
10	PRTFOL ID	DESCRIPTION				STATUS			MESSAGE		SUB	VSN	
NO										NO			
1	-----												
2	0000S6478	VANGUARD WORLD FD MEGA CAP 300				ACCEPT					03		
01													
3	00000S868	VANGUARD SMALL CAP VALUE ETF				ACCEPT EST T-1 CASH AMT PER CREACTION UNIT NOT NUMERIC					02		
01													
4	00000S900	VANGUARD CONSUMER DISCRET ETF				ACCEPT					08		
01													
5	00X00S835					REJECT INSTRUCTION CUSIP INVALID					01		
01													
6	18383M472	WILSHIRE US REIT ETF				REJECT INVALID CASH/SECURITY INDICATOR					01		
01													
7	18383M480	WILSHIRE 4500 COMPLETION ETF				WARN ONE OR MORE DETAIL RECORDS REJECTED					01		
01													
8	COMPONENT: G0129K104	AIRCATTLE LIMITED COM				REJECT COMP QUANTITY IS NOT NUMERIC							
9	COMPONENT: G6852T105	PARTNERRE LTD				WARN INVALID CASH IN LIEU INDICATOR - SET TO SPACE							
20	COMPONENT: G87210103	UTI WORLDWIDE INC				WARN INVALID COMP QUANTITY - SET TO SPACE							
1	TOTAL COMPONENT COUNTS:	RECEIVED: 500	ACCEPTED: 499										
2	0000S6460	VANGUARD WORLD FD MEGA CAP 300				WARN ONE OR MORE DETAIL RECORDS REJECTED					01		
01													
3	COMPONENT: 03027X100					REJECT COMPONENT CUSIP NOT ON SECURITY MASTER							
4	TOTAL COMPONENT COUNTS:	RECEIVED: 304	ACCEPTED: 303										
5	0000S6460	VANGUARD WORLD FD MEGA CAP 300				WARN ONE OR MORE DETAIL RECORDS REJECTED					01	01	
6	CUSTOM ASSIGNEE: BA000963					REJECT ASSIGNEE IS NOT A VALID SUBSCRIBER							
7	0000S9050	PROSHARES ULTRASHORT EURO INST				CARRY PORTFOLIO CARRIED FORWARD FROM PRIOR RUN					01	01	
8	CUSTOM ASSIGNEE: BA000963					REJECT ASSIGNEE IS NOT A VALID SUBSCRIBER							
9	-----												
30	FINAL TRANSMISSION: Y	RECORDS REPORTED: 1,222,333,444,555	RECORDS PROCESSED: 1,222,333,444,551	NO TRAILER/OUT OF BALANCE									

## REFERENCE FOR EXCHANGE TRADED FUNDS DATATRAK AND AUTOROUTE NUMBERS

	Production DATATRAK ID	Test DATATRAK ID	Description	
INPUT	11297	41297	Domestic Portfolio Composition File	
	11299	41299	Supplemental Domestic Portfolio Composition File	
	26364	46364	Foreign Portfolio Composition File	
	11522	41522	Domestic Instruction Create / Redeem File	
			<b><u>ETF Rewrite</u></b>	
	11301	41301	Enhanced Consolidated Portfolio Composition Data Input File	
	11300	41300	Enhanced ETF Create and Redeem Instruction Data Input File	
	Production AutoRoute	Test AutoRoute		
OUTPUT	2260193	2980193	Domestic Portfolio Composition Data File	
	2260293	2980293	Domestic Portfolio Composition Print Image Report	
To Be Enhanced 5/9/13	2260421	2980421	Enhanced Consolidated Portfolio Composition (Receipt / Reject) Print Image Report (will include Domestic, Foreign and Supplemental on 5/9/13)	Available to ETF Agents Only
	2290256	2980256	Supplemental Domestic Portfolio Composition Data File	
	2290273	2980273	Supplemental Domestic Portfolio Composition Print Image Report	
To Be Discontinued 5/9/13	2290253	2980253	Supplemental Domestic Portfolio Composition Receipt (Reject) Print Image Report (AutoRoute 02260421 will replace this output for supplemental portfolio submissions)	Available to ETF Agents Only
	2260269	2980269	Custom Domestic Portfolio Composition Data File	
	2260414	2980414	Custom Domestic Portfolio Composition Print Image Report	
	2290272	2980272	Supplemental Custom Domestic Portfolio Composition MRO File	
	2290255	2980255	Supplemental Custom Domestic Portfolio Composition Print Image Report	



	<u>Production AutoRoute</u>	<u>Test AutoRoute</u>	<u>Description</u>	
<b>OUTPUT</b>				
	2120156	2980156	Foreign Portfolio Composition Data File	
	2120512	2980512	Foreign Portfolio Composition Print Image Report	
<b>To Be Discontinued 5/9/13</b>	2120270	None	Foreign Portfolio Composition (Reject) Print Image Report (AutoRoute 02260421 will replace this output for foreign portfolio submissions)	Available to ETF Agents Only
	2262292	2982292	Domestic Instruction Create / Redeem Data File	
<b>To Be Enhanced 5/19/13</b>	2260291	2980291	Enhanced Instruction Create / Redeem Instruction Print Image Report	
<b>To Be Enhanced 5/19/13</b>	2120098	2980098	Enhanced Instruction Create / Redeem Reject Report	Available to ETF Agents Only
<b>NEW OUTPUT</b>			<b><u>ETF Rewrite</u></b>	
	2261256	2981256	Enhanced Consolidated Portfolio Composition Data File	
	2261255	2981255	Enhanced Consolidated Portfolio Composition Receipt / Reject Data File	Available to ETF Agents Only
	2261254	2981254	Enhanced ETF Create and Redeem Instruction Data Output	