



A#:	7852
P&S#:	7422
DATE:	JUNE 4, 2014
TO:	ALL PARTICIPANTS
FROM:	PRODUCT MANAGEMENT, EQUITIES CLEARANCE
ATTENTION:	IT, OPERATIONS, PURCHASES & SALES (P&S), SETTLEMENT
SUBJECT:	OBLIGATION WAREHOUSE ENHANCEMENT TO COMMUNICATION WITH DTC'S IMS PROCESSING

National Securities Clearing Corporation (NSCC)'s Obligation Warehouse (OW) will enhance its communication with DTC's Inventory Management System (IMS) to further streamline processing of transactions. The changes described in this notice are expected to be effective in the fourth quarter of 2014. Implementation date will be announced by a separate important notice.

Current Processing

Today, as part of the maintenance of obligations in the OW, obligations, including the OW Control number, are sent directly to DTC's Inventory Management System (IMS) throughout the day in preparation for settlement of those transactions. This maintenance is available only on to NSCC Members that have opted to use the Automated Delivery Order processing (Auto DO).

When the obligation in OW is sent to IMS using the Auto DO process, it is suspended from any of the other automated maintenance by OW. Once the settlement has occurred, this information is sent back to OW using the OW Control number, and the obligation is verified and automatically closed in OW.

If settlement does not occur, however, due to either a permanent IMS dropped, canceled, or rejected message, today, a Member must manually bilaterally agree to close the obligation in OW. Otherwise, the transaction will continue to pend in OW until it is settled, or other action is taken.

Upcoming Enhancement

In order to streamline the OW processing of obligations that were sent as Auto DO, but do not settle in DTC's IMS due to either permanently dropped, canceled, or rejected deliveries, NSCC will enhance the communication between DTC's IMS and OW. Following this enhancement, if an OW obligation that is sent to DTC's IMS by Auto DO does not settle due to either permanently dropped, canceled, or rejected deliveries, this information will be communicated back to OW, using the OW Control number.

DTCC offers enhanced access to all important notices via a Web-based subscription service. The notification system leverages RSS Newsfeeds, providing significant benefits including real-time updates and customizable delivery. To learn more and to set up your own DTCC RSS alerts, visit http://www.dtcc.com/subscription_form.php.

The obligation details will then be verified, the business event will be updated, and the obligation will be reset as OPEN status in OW. The obligation will now be eligible for OW's automated maintenance, including processing of applicable corporate actions or participant swings, or application of Reconfirmation and Pricing Service (RECAPS).

New Business Event Indicators

The new business events described above for the communication of the permanently dropped, canceled, or rejected OW obligations each will be identified with new indicators on output (MQ messages, OW Web and files). New business events will be sent to Members on an MT518 message in the 70E::TPRO//DTCY tag using the new message reason codes of IMSD, IMSC, IMSR; to represent the information received from IMS regarding the permanently dropped, canceled or rejected delivery.

Also, new OW reject reason codes have been added for OW rejecting the IMS permanently dropped, canceled or rejected message received, where the obligation details did not correspond to the OW Control number.

The updates to the MQ message specifications, flow diagrams, and file layouts have been posted to the DTCC Learning Center website in the Equities Clearance/ Obligation Warehouse section. To access the DTCC Learning Center website visit <https://dtcclearning.com/learning/clearance/>

1. Go to [https://dtcclearning.com/learning/clearance.](https://dtcclearning.com/learning/clearance/)
2. In the upper right corner of the page, click "Login", if you have an existing account.
3. If you do not have an existing account, select "Register Now"; fill out the required fields, and click "Register". Within one business day, you will receive an e-mail response from DTCC approving your registration or requesting additional information.

If you have additional questions about the Obligation Warehouse (OW) or this new functionality, contact Business Operations at 1-888-382-2721, option 2, and then option 2.

Janice DiTore
Director, Product Management Equities Clearing