



<b>A#:</b>	8164
<b>P&amp;S#</b>	7739
<b>Date:</b>	FEBRUARY 11, 2016
<b>To:</b>	ALL PARTICIPANTS
<b>From:</b>	ACATS PRODUCT MANAGEMENT, EQUITIES CLEARANCE
<b>Attention:</b>	MANAGING PARTNER/OFFICER; OPERATIONS PARTNER/OFFICER; MANAGER P&S DEPARTMENT; MANAGER DATA PROCESSING;CASHIER
<b>Subject:</b>	ACATS ENHANCEMENTS 2016

Effective on or about **Friday, November 4, 2016**, NSCC’s Automated Customer Account Transfer Service (ACATS) will implement enhancements that were recommended by ACATS firms and approved by the SIFMA Customer Account Transfer (CAT) Division.

Enhancements include:

**1. The elimination of the Rescind reason code on Reclaim (RCL) transactions.**

An effort is underway to encourage firms to discontinue using the reclaim (RCL) transfer type to call back asset(s) due to a client rescind. Based on feedback from the industry, the reclaim process requires extra due diligence work on behalf of the receiving firm to determine whether a reclaim is valid. This includes discussions with the branch offices. For cases in which a client rescinds, it has been suggested by industry firms that the delivering firm should wait for the ACAT to complete and then initiate a new full or partial ACAT to get back the assets. By doing this, firms can avoid much of the work that is typically involved in a traditional reclaim. As a first step in encouraging this behavior, DTCC will eliminate the rescind transfer reason type located in the Asset Transfer record (AT) when processing reclaims

Enhancement Change:

1. Remove Transfer Reason Code – “60- Client Rescinded” for Reclaims (RCL).

When Transfer Type is ‘RCL’ (reclaim) valid values are: <del>60 = Reclaim – client rescinded – will be removed</del> 61 = Reclaim –duplicate delivery 62 = Reclaim –delivered asset that did not belong to client 63 = Reclaim –over delivery 64 = Reclaim – fees were not withheld 65 = Reclaim-Miscellaneous
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2. If the Transfer Type is RCL, ACATS will now reject a transaction back to the submitting firm if code 60 is used as value in the transfer reason field.
  - a. System Reject Reason 01-Invalid Field will be applied in this scenario.

3. Transfer Type Reason is located on the following AT records:

<b>File</b>	<b>Test Datatrak</b>	<b>Production Datatrak</b>	<b>Fixed Record</b>	<b>Bytes Location</b>
Asset Input (AT) – Variable	46667	36667	NA	307-308
Asset Input (AT) – Fixed	42667	32667	05	65-66

4. Below are output files and field locations that contain the Transfer Reason field:

<b>File</b>	<b>Test Autoroute</b>	<b>Production Autoroute</b>	<b>Fixed Record</b>	<b>Bytes Location</b>
Multi-Cycle Transaction MRO-Variable	02980716	02090716	NA	461-462
Multi-Cycle Transaction MRO – Fixed	02980722	02090722	13	65-66
End of Day Transaction MRO-Variable	02980717	02090717	NA	461-462
End of Day Transaction MRO – Fixed	02980723	02090723	13	65-66
End of Day Position MRO – Variable	02980718	02090718	NA	411-412
End of Day Position MRO - Fixed	02980724	02090724	12	65-66
End of Day Settlement MRO – Variable	02980719	02090719	NA	411-412
End of Day Settlement MRO – Fixed	02980725	02090725	12	65-66
Interface Rejects – Variable	NA	02090721	NA	411-412
Interface Rejects – Fixed	NA	02090727	12	65-66
CNS Ineligible Security Reject - Variable	02981473	02091473	NA	411-412
CNS Ineligible End of Day Fail - Variable	02981475	02091475	NA	411-412
ACATS Reversal Output MRO –Variable	02981008	02091008	NA	411-412
ACATS Mutual Fund Reversal Output MRO - Variable	02981077	02091077	NA	185-188

5. 60- Client Rescinded will be removed from Transfer Reason Drop down Code List as shown below.

# DTCC Portal – Reclaim Input Screen

DTCC Reclaim

Mon Jan 25 09:58:57 EST 2016  
Logged on as: cguirien@dtcc.com

ACATS Menu > Reclaim

Reclaim Go To: Transaction Inputs

**Back** **Reset** **Submit**

**Transfer Information** \* = Required

Original Receiver	<input type="text"/>	*
Original Deliverer	<input type="text"/>	*
Customer Name	<input type="text"/>	*
Receiver Customer Account Number	<input type="text"/>	*
Deliverer Customer Account Number	<input type="text"/>	*
Primary SSN	<input type="text"/>	*
Secondary SSN	<input type="text"/>	
Account Type	<input type="text"/>	*
Receiver OCC Broker Number	<input type="text"/>	
Receiver Correspondent	<input type="text"/>	
Associated ACATS Control Number (CCYDDNNNNNN)	<input type="text"/>	*
Associated Settlement Date (MM-DD-CCYY)	<input type="text"/>	*
Comments	<input type="text"/>	

**Asset Information**

Settling Location and Reason	<input type="text" value="00 - System Generated"/>	*
Option Category	<input type="text" value="00 - Non Option"/>	*
Pricing Category	<input type="text"/>	*
Cash/Margin/Short	<input type="text"/>	*
Position Code	<input type="text" value="L - Long Position"/>	*
Currency Code	<input type="text" value="USD"/>	
MBS Serial Note	<input type="text"/>	
Amount	<input type="text"/>	*
Quantity	<input type="text"/>	
ISIN	<input type="text" value="US"/>	*
Transfer Reason	<input type="text"/>	*
Bearer Bond	<input type="text" value="N - Not a Bearer Bond"/>	*
When Issued	<input type="text"/>	

- 60 - Client rescinded
- 61 - Duplicate delivery
- 62 - Delivered asset that did not belong to client
- 63 - Over delivery
- 64 - Fees where not withheld
- 65 - Miscellaneous

## **2. Addition of the Receiver Delete functionality for Mutual Fund to the PTD, PTR and RCR transfer types.**

With the introduction of Money Market Reform scheduled for October 2016, many firms will be creating new policies to determine which money market funds they will allow their clients to invest in. This will impact ACATS transfers due to a potential increase of assets that will be considered non-transferrable between firms. This event will make the receiver delete functionality more important for mutual fund money market funds.

Currently, mutual fund deletes are not allowed on non-standard (partial) transfers. Therefore, a receiving firm would be required to reject the entire request if mutual fund could not be accepted, which can create a poor client experience. Mutual fund deletes are allowed on standard or full transfers. This enhancement will expand the receiver delete functionality to include certain Non-Standard transfer requests for both money market and non-money market mutual funds.

Enhancement:

1. Allow a receiving firm to Receiver Delete a mutual fund on a Non-Standard ACAT Transfer for Transfer Types: Partial Transfer Receiver (PTR), Partial Transfer Deliverer (PTD), and Residual Credit (RCR) only.

Rules:

- For Non-Standards, receiver delete can only occur when the Account Status is in 200—Review and 240—Review Adjust Receiver Accelerate.
- Status 240 will be added to non-standard transfers: PTR, PTD and RCR, as a valid status for receiver delete functionality. Note: The description of this existing code includes Accelerate. There is actually no acceleration for PTR, PTD and RCR.
- The deadline for receiver deletes will remain at 4 pm ET (cycle 5).
- The asset must be either a mutual fund asset with an asset pricing category of Mutual Fund Money Market (MFMM) or Mutual Fund Non Money Market (MFNM). Insurance Assets with pricing category of Annuities (ANNU) will continue to be excluded from PTR, PTD and RCR.

## **3. New Asset Pricing Category Codes**

The Asset Pricing Category Code will be modified to synch the list with the Cost Basis Reporting Service (CBRS) product. The addition of the new codes will help firms identify specific asset types that typically are received without a CUSIP (ex, Alternative Investments). This will also allow for the elimination of the OTH (Other) category.

Firms will need to be prepared to receive the new codes on their output files. On input, if firms have mapped their system to send the “OTH” code, you will need to reassign the code to one of

the applicable codes in the list. If a firm sends OTH after the enhancement is implemented, ACATS will reject the transaction with System Reject Code 01-Invalid Field.

Enhancement:

1. The following codes will be added:

<b>Code</b>	<b>Description</b>
ALT	Alternative Investment
OPT	Options
REIT	Real Estate Investment Trusts
RGT	Rights
UNT	Units
WAR	Warrant

The following code will be removed from the list:

<b>Code</b>	<b>Description</b>
OTH	Other

2. The description of the Asset Pricing Category will change to “Asset Category”. This will be reflected on both portal screens and in record layouts.
3. DTCC Portal – the code changes will be reflected in the Transactions Input Screens for:
  - Fail Reversals
  - Partial Transfer Deliverer
  - Partial Transfer Receiver
  - Residual Credit
  - Reclaim
  - Add Asset
  - Adjust Asset

The Pricing Category Drop Down, as shown below, will be modified to reflect the code value and field name changes.

#### 4. Files Impacted by Change:

Below are the input files and field locations applicable to the Asset Category field:

File	Test Datatrak	Production Datatrak	Fixed Record	Bytes Location
Asset Input (AT) – Variable	42667	32667	NA	81-84
Asset Input (AT) – Fixed	42667	32667	01	77-80

Below are output files and field locations that contain the Asset Category field:

File	Test Autoroute	Production Autoroute	Fixed Record	Bytes Location
Multi-Cycle Transaction MRO-Variable	02980716	02090716	NA	235-238
Multi-Cycle Transaction MRO – Fixed	02980722	02090722	09	75-78
End of Day Transaction MRO-Variable	02980717	02090717	NA	235-238
End of Day Transaction MRO – Fixed	02980723	02090723	09	75-78
End of Day Position MRO – Variable	02980718	02090718	NA	185-188
End of Day Position MRO - Fixed	02980724	02090724	08	77-80
End of Day Settlement MRO – Variable	02980719	02090719	NA	185-188
End of Day Settlement MRO – Fixed	02980725	02090725	08	77-80

Interface Rejects – Variable	NA	02090721	NA	185-188
Interface Rejects – Fixed	NA	02090727	08	77-80
CNS Ineligible Security Reject - Variable	02981473	02091473	NA	185-188
CNS Ineligible End of Day Fail - Variable	02981475	02091475	NA	185-188
ACATS Reversal Output MRO –Variable	02981008	02091008	NA	185-188
ACATS Mutual Fund Reversal Output MRO - Variable	02981077	02091077	NA	185-188

**TESTING**

On or about **Monday, September 19, 2016**, members can begin testing in the Participant Services Environment (PSE) region.

Members are encouraged to test and should verify that they are set up to send/receive files in PSE or have access to the PSE DTCC portal region. If setup is required, firms should contact their Relationship Manager at least three (3) days prior to testing.

**DOCUMENTATION**

Updated documentation will be available on DTCC’s website as follows:

ACATS Variable and Fixed Record Layouts are available at <https://dtcclearning.com/learning/clearance/topics/acats/acats-record-layouts.html>.

Update Record Layouts and User Guides will be updated in April 2016.

A notification will be sent when revised documentation has been posted to our website.

**Additional Information**

A copy of this Important Notice can be obtained from the web site of NSCC’s parent corporation, the Depository Trust & Clearing Corporation, at <http://www.dtcc.com>.

If you have any questions regarding these enhancements, please contact your DTCC Relationship Manager.