



Important Notice
Fixed Income Clearing Corporation - CMU

CMU #:	CMU 003.16
Date:	March 16, 2016
To:	All NSCC Participants
Category:	Service Update
From:	FICC Product Management
Attention:	Managing Partner/Officer, Operations Partner/Officer, Compliance Officer
Subject:	NSCC PLANS TO MATCH REAL TIME TRADE MATCHING (RTTM) MUNICIPAL BOND TRADES BASED ON INTERDEALER TRADE VS. STEPOUT DESIGNATION

Please see the attached NSCC Important Notice regarding plans to match NSCC Municipal Bond CMU RTTM trades based on a Stepout vs. Interdealer designation.

If you have any questions regarding this or other CMU RTTM services, please enter your question into the PBS WINS function, contact your Relationship Manager, email RMsupport@dtcc.com or contact the undersigned at 212-855-7623 (efanning@dtcc.com).

Ed Fanning
Director, Product Management

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A#:	8179
P&S#:	7754
DATE:	MARCH 16, 2016
TO:	ALL PARTICIPANTS
ATTENTION:	MANAGING PARTNER/OFFICER, OPERATIONS PARTNER/OFFICER, COMPLIANCE OFFICER
FROM:	PRODUCT MANAGEMENT
SUBJECT:	NSCC PLANS TO MATCH REAL TIME TRADE MATCHING (RTTM) MUNICIPAL BOND TRADES BASED ON INTERDEALER TRADE VS. STEPOUT DESIGNATION

At request of Clients, and in conjunction with the MSRB, the NSCC CMU RTTM system will match Municipal bond transactions based on submissions coded as Stepout allocations vs. submissions coded as Interdealer trades.

CMU RTTM will use the Destination Indicator that Clients submit on each Trade Instruct to assign a Stepout or Interdealer trade (non Stepout) designation.

As shown below, a trade designated with /DEST01 will be coded as a Stepout. A trade designated as /DEST01/DEST02 will be coded as an Interdealer trade. If the buyer and seller submit different Destinations the trade will not match.

CMU RTTM/Regulator	Destination (:70E::TPRO//)	Header-Receiver	Stepout
CMU RTTM only	/DEST01	NSCCTRRS	Yes
CMU RTTM and MSRB	/DEST01/DEST02	NSCCTRRS	No

Corporate bond and UIT trades are not subject to this matching logic. However, additional data will be included on Corporate bond and UIT MT 518 messages as detailed below.

Transaction Input to CMU RTTM

- **No change on Trade Instructs submitted to CMU RTTM**
 - Firms can continue to submit STEP in the Contra Trader ID field as they do today. STEP in the Contra Trader ID field will continue to act as Information Only.
- Trade Modifies of the Destination Indicator will not be accepted. CMU RTTM currently receives five per day. Firms submitting Modifies of DEST ID will be notified to stop doing so.

Transaction Output from CMU RTTM

- The Destination Indicator (/DEST01 or /DEST 01/DEST02) will be added to all MT 518 RTTM trade output (see Addendum I below).
 - The Destination Indicator is currently provided on Web Screen Input Trade Replay and Locked in QSR UIT trades in Block/Tag 70E Trade Instruction Processing Narrative (TPRO).
 - It will be included on all MT 518 trade output. /DEST (01) designates RTTM and /DEST (01/02) designates RTTM & MSRB (see Addendum I below).
 - **For consistency sake, the Destination Indicator will also be added to MT 518 Corporate Bond and UIT output. It will always be /DEST01 for Corporate Bond and UIT trades.**
- Field 28 on the end of day Fixed Income Municipal Bond Contracts file (AutoRoute 02032237) will be populated with a ‘Y’ for Stepout for /DEST 01 Compared, Uncompared and Advisory trades and an “N” for /DEST 01/DEST02 Non Stepout trades (see Addendum II below).
- A new column will be created for Stepout processing on CMU RTTM Web default search screens.
 - It will be populated with a ‘Y’ to indicate Stepout on Matched, Unmatched and Advisories and an “N” for Non Stepout trades.
 - i. (The Corp/UIT Default Screen results will always be blank for this new column.)

Redefined CMU RTTM DK Reason Code

CMU RTTM DK Reason Code E015 will be repurposed to indicate “Stepout Error” instead of “Commission Error”.

Implementation Dates

The Stepout enhancement will be put into production in Q4, 2016 with test output available in mid July, 2016. Testing is recommended but optional and can be arranged by emailing ficcsupport@dtcc.com. A Test Script will be provided.

If you have any questions regarding this or other CMU RTTM services, please enter your question into the PBS WINS function, contact your Relationship Manager, email RMsupport@dtcc.com or contact the undersigned at 212-855-7623 (efanningdtcc.com).

Ed Fanning
Director, Product Management

ADDENDUM I

Destination ID (:70E::TPRO//GSCC/DEST) will be included on all the following MT 518 messages:

- **PROC/GSCC/CMPR** - This qualifier/option indicates that the MT518 record is a Match Request.
- **PROC/GSCC/CRQM** - This qualifier/option indicates that the MT518 record is a Match Request Modify.
- **PROC/GSCC/CADV** - This qualifier/option indicates that the MT518 record is a Match Request Cancel Advice.
- **PROC/GSCC/CMDA** - This qualifier/option indicates that the MT518 record is a Post Match Contra Trade Modification.
- **PROC/GSCC/LCTA** - This qualifier/option indicates that the MT518 record is a Locked-in Trade Advice.
- **PROC/GSCC/CMPM** - This qualifier/option indicates that the MT518 record is a Matched with Modifications.
- **PROC/GSCC/DFVA** - This qualifier/option indicates that the MT518 record is a Notification of Default Values Applied.
- **PROC/GSCC/SITR** - This qualifier/option indicates that the MT518 record is a Screen Input Trade Replay.

• **PROC/GSCC/NAFI** - This qualifier/option indicates that the MT518 record is a DK Advice (DK of the recipient's previously submitted trade).

• **PROC/GSCC/DCCX** - This qualifier/option indicates that the MT518 record is a DK Remove Advice (removing the DK status from the recipient's trade).

• **PROC/GSCC/YTPR** - This qualifier/option indicates that the MT518 record is a Yield to Price recalculation (Repricing).

• **PROC/GSCC/STLD** - This qualifier/option indicates that the MT518 record is a notification of Settlement Disposition. This message indicates that a trade has been sent to settlement.
e.g., :22F::PROC/GSCC/YTPR

ADDENDUM II

Effective Q4, 2016. Exact date TBD

FIXED INCOME MUNI CONTRACTS MRO					Detail
AUTOROUTE ID 02032237					Record Length 120
Description	Length	Start	End	Type	Comments
Buy/Sell Code	1	1	1	A/N	2 = Buy 4 = Sell
Match Code	1	2	2	A/N	1 = Compared Trade 2 = Uncompared Trade 3 = Advisory
Settlement Date	8	3	10	A/N	MMDDCCYY
Major Clearing Participant	4	11	14	A/N	(MAJOR)
Major Executing Participant	4	15	18	A/N	(MAJOR)
Contra Clearing Participant	4	19	22	A/N	(MINOR)
Contra Executing Participant	4	23	26	A/N	(MINOR)
Syndicate Indicator	1	27	27	A/N	0 = Not Syndicate 1 = Syndicate
Stepout Indicator	1	28	28	A/N	N = Non Stepout Y = Stepout (Blank for As Of trades before the first T/D of the Stepout match)
Price Indicator	1	29	29	A/N	0 = Dollar Price 1 = Contract Amount 2 = Yield and concession 4 = Calculated Contract Amount - Submitted Dollar Price 5 = Calculated Contract Amount Submitted Yield And Concession
Extended Settlement Days	2	30	31	A/N	Space = Regular Settlement 01 Thru '15' = Non-Standard Settlement
Trade Date	8	32	39	A/N	MMDDCCYY

CUSIP	9	40	48	A/N	40-45 Issuer, 46-47 Issue, 48 Check Digit
Bond Trade Indicator	1	49	49	A/N	0 = Regular Way 1 = New Issue
Bond Form	1	50	50	A/N	0 = Registered
Market of Execution	1	51	51	A/N	3 = Municipal
Quantity	9	52	60	N	999,999,999
Future Use	7	61	67	A/N	RESERVED
Currency Indicator	3	68	70	A/N	USD = US Dollars
Contract Amount	12	71	82	N	9,999,999,999.99
Dollar Price	12	71	82	N	9,999.99999999
Yield	7	71	77	N	(71 – 73 Yield Whole Percent) (74 – 77 Yield Fractional Percent Left Justified)
Concession Sign	1	78	78	A/N	(78-78 Sign A = Add, S = Subtract
Concession Percentage	4	79	82	N	(79 - 79 Whole Number) (80 – 82 Fraction)
Special Trade Indicator	1	83	83	A/N	C = CNS Trade F = Comparison only. No Settlement T = Trade-For-Trade
Future Use	1	84	84	A/N	RESERVED
Adjustment Code	3	85	87	A/N	Spaces = Regular Trade AO = As Of CBT = Compared on Buyer's Trade Date CST = Compared on Seller's Trade Date M = Memo Item MC = Compared Former Memo Item (No Participant Action) MR = Repeat Of Memo Uncompared OSD = One Sided Delete RR = Repeat of an Uncompared Or Advisory SV = Compared On Seller's Total Value Buyer Has Different Total Value Not More Than Plus Or Minus \$0.04 Cents/ Bond WH = Withhold
Control Number	10	88	97	N	
Accrued Interest	9	98	106	N	9,999,999.99
Future Use	1	107	107	A/N	RESERVED
QSR Indicator	2	108	109	A/N	QS = QSR Submitter QC = QSR Contra RS = QSR Reversal Submitter RC = QSR Reversal Contra
Original Control Number	10	110	119	N	Original Control Number – If Different from Prior Day
Future Use	1	120	120	A/N	RESERVED

| | | | | END OF RECORD