

<b>A#:</b>	<b>8251</b>
<b>P&amp;S:</b>	<b>7826</b>
<b>Date:</b>	<b>August 31, 2016</b>
<b>To:</b>	<b>ALL MEMBERS AND LIMITED MEMBERS</b>
<b>From:</b>	<b>WEALTH MANAGEMENT SERVICES - MUTUAL FUNDS</b>
<b>Attention:</b>	<b>MANAGER MUTUAL FUNDS OPERATIONS, MANAGER DATA PROCESSING, MANAGER CASHIERS, MANAGER P&amp;S DEPARTMENT</b>
<b>Subject:</b>	<b>ENHANCEMENTS TO NSCC FUND/SERV SECURITY ISSUE ID AND MEMBER PROFILE FORMS / USD AND USN CURRENCY TYPE DOCUMENTATION UPDATES</b>

Effective **Friday, November 11<sup>th</sup>, 2016**, National Securities Clearing Corporation (NSCC) will enhance the following Fund/SERV<sup>®</sup> forms located on the DTCC Web Portal and dtcc.com website:

- **Security Issue ID Forms:**
  - Security Issue ID - Add Form
  - Security Issue ID - Modify Form
  - Security Issue ID - Delete Form
- **Member Profile Form:**
  - Member Profile - Modify Form

The updated forms will provide additional information regarding the USD/USN Currency Type Indicators and their impact on the distribution of settlement reports, in addition to providing guidance on existing fields.

In conjunction with form updates, the Fund/SERV<sup>®</sup> Technical Manual has been updated with a new “USD/USN Currency Type Considerations” section to provide additional information on the use of USD/USN Currency Types along with examples of trading scenarios.

**NSCC will enhance the existing Fund/SERV<sup>®</sup> Security Issue ID and Member Profile forms as follows:**

1. Add a note to the “Currency Type” field to provide additional details on the USD/USN currency types.

***Important Notes:***

- The USD and USN currency types determine the timing of when the settlement report is distributed to clients as follows:
  - USD Currency Type - obligations due to settle on the current business day will be included in the ‘MF Same Day Settlement Report’ (Autoroute 02112364) distributed to clients by 12:00pm.
  - USN Currency Type – obligations due to settle on the next business day will be included in the ‘MF Next Day Settlement Report’ (Autoroute 02112365) distributed to clients by 9:00pm.

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](http://www.dtcc.com/subscription_form.php).

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- The USD/USN Currency Type is assigned by Fund clients based on the applicable values established through the Fund/SERV Security Issue ID or Member Profile forms. The Fund/SERV system will determine if the USD/USN Currency Type is provided at the Security Issue ID level, if not, then the Member Profile level currency type value would be applied to a transaction.
2. Add “Security Issue ID Settlement Cycles” title to the settlement cycle fields to help identify the settlement cycles that determine settlement.
  3. Add note “This is for Regular Orders only (Record Type 001)” under the “Alternate Order Settlement Indicator” field description to clearly indicate Alternate Order Settlement instructions only apply to Regular Orders.
  4. Add a **new “Alternate Order Settlement Currency Type” field** to provide funds the ability to specify the currency type (USD or USN) for Alternate Order Settlement instructions.
  5. Add a note to the “Alternate Settlement Cycle in Business Days” field description to indicate the alternate settlement date is calculated from Trade Date.

Details illustrating the updates and impact to Fund/SERV® Security Issue ID and Member Profile forms are included in the attached Appendix. *The Appendix is for informational purposes. NSCC reserves the right to make additional changes prior to implementation.*

#### **TESTING**

Effective, **Friday, October 28<sup>th</sup>, 2016**, clients can begin testing in the DTCC Web Portal Participant Services Environment test environment (PSE) at the following link - <https://portal.dtcc.com>. This PSE test environment is available for portal users only. Clients who would like to obtain DTCC Web Portal access to these forms must contact their Relationship Manager before testing begins for proper setup in the PSE environment. Relationship Managers should be contacted at least three (3) days prior to testing.

#### **DOCUMENTATION**

The updated Fund/SERV® Technical Manual Chapter 2 has been posted to DTCC’s website and can be found at: <http://www.dtcc.com/wealth-management-services/mutual-fund-services/mutual-funds-client-documentation/product-client-center/gated-documents?gated=wms-section>. The updated document contains a new “**USD/USN Currency Type Considerations**” section that outlines currency code considerations for trading scenarios as they relate to USD/USN currency types.

The updated Wealth Management Services (WMS) Fund/SERV® Security Issue ID and Member Profile forms are located at:

- DTCC website at the following link - <http://www.dtcc.com/wealth-management-services/mutual-fund-services/fundserv-forms>
- DTCC Web Portal at the following link - <https://portal.dtcc.com>

Questions and comments regarding this Important Notice may be directed to Wealth Management Services at **212-855-8877**.

Yvette Guzman-Smith  
Product Manager

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Product Management  
DTCC Wealth Management Services

# Appendix

The following section outlines the fields within the Fund/SERV® Security Issue ID and Member Profile forms that are impacted by the enhancements (updates are depicted in red font).

1. Add a note to the “Currency Type” field to provide clarification on the USD/USN settlement indicators.

Currency Type

- USD (Same Day Settlement)
- USN (Next Day Settlement)

USD and USN are currency types that will specify when a Settlement Report (Fund/SERV Settling Trade Detail Record 070) is distributed by DTCC. Security Issue IDs set to USD will be included in Autoroute 02112364 report distributed by 12 Noon ET for Mutual Fund orders settling the same day. Security Issue IDs set to USN will be included in Autoroute 02112365 report distributed by 9pm ET for Mutual Fund orders settling the next business day. Both USD and USN Security Issue IDs will settle in US Dollars. USD/USN indicator specified on this form will apply to ALL transactions for this Security Issue ID (regular orders, as of orders, exchanges, etc.). For additional information on USD and USN indicators please refer to Fund/SERV Technical Manual Chapter 2 (Section A - “USD/USN Currency Type Considerations”).

2. Add a title ‘Security Issue ID Settlement Cycles’ to the settlement cycle fields section to help identify the settlement cycles that determine settlement dates.

Security Issue ID Settlement Cycles:

Order Settlement Cycle:  
Number of Days from Trade Date  Business Days

Cash Adjustments Settlement Cycle:  
Number of Days from Submission Date  Business Days

As of Orders Settlement Cycle:  
Number of Days from Confirmation Date  Business Days

Exchange/As of Exchange Settlement  
Cycle: Number of Days from Confirmation Date  Business Days

3. Add a note under the “Alternate Order Settlement Indicator” field description to clearly indicate Alternate Order Settlement instructions only apply to Regular Orders.

Alternate Order Settlement Indicator

**This is for Regular Orders Only (Record Type 001)**

Yes  No

4. Add a new “Alternate Order Settlement Currency Type” field for funds to provide the currency type (USD or USN), with an explanation to provide clarification on the USD/USN settlement indicators. This field will be added under the “Alternate Order Settlement Indicator” field.

The new field will provide Fund clients the ability to specify the Currency Type for Alternate Order Settlement.

**Alternate Order Settlement Currency Type  
(Required if Alternate Order Settlement  
Indicator is Yes)**

- USD (Same Day Settlement)**
- USN (Next Day Settlement)**

**USD and USN are currency types that will specify when a Settlement Report (Fund/SERV Settling Trade Detail Record 070) is distributed by DTCC. Security Issue IDs set to USD will be included in Autoroute 02112364 report distributed by 12 Noon ET for Mutual Fund orders settling the same day. Security Issue IDs set to USN will be included in Autoroute 02112365 report distributed by 9pm ET for Mutual Fund orders settling the next business day. Both USD and USN Security Issue IDs will settle in US Dollars. USN/USD indicator specified on this form will apply to Regular Orders (001) Only transactions for this Security Issue ID. For additional information on USD and USN indicators please refer to Fund/SERV Technical Manual Chapter 2 (Section A - “USD/USN Currency Type Considerations”).**

5. Add a note to the “Alternate Settlement Cycle in Business Days” field description to indicate the alternate settlement date is calculated from Trade Date.

If Alternate Order Settlement Indicator is "Yes," then provide Alternate Settlement Cycle in Business Days.  
**Number of Days from Trade Date**

Business Days