



A#:	8382
P&S#	7957
DATE:	MAY 1, 2017
TO:	ALL PARTICIPANTS
ATTENTION:	MANAGING PARTNER/OFFICER; OPERATIONS PARTNER/OFFICER; MANAGER P&S DEPARTMENT; MANAGER DATA PROCESSING;CASHIER
FROM:	PRODUCT MANAGEMENT, EQUITIES CLEARANCE
SUBJECT:	NSCC ACCELERATED TRADE GUARANTEE CHANGES FOR ETF CREATE/REDEEM PROCESSING

NSCC is amending the language included in the Important Notice a8364 dated March 31, 2017 specific to changes applicable to ETF Create/Redeem processing. In that notice, it was stated that post-activation of the NSCC Accelerated Trade Guarantee (ATG), “Next day settling ETF Create/Redeem activity will be processed upon receipt and reported on CTS Cycle 1 on the date of receipt. These transactions may be settled in the CNS Night Cycle.”

Upon the activation of the ATG, accepted next day settling ETF Create/Redeem orders will be processed upon receipt and reported on the CTS Cycle 1 on the date of receipt; however, the activity will not be included in the CNS Night Cycle. ETF Create/Redeem activity is received daily after the 5:30 PM cutoff for inclusion in the CNS Night Cycle; however, effective upon the activation of the ATG on April 24, 2017, accepted next day settling ETF Create/Redeem activity will be released to CNS at the beginning of the CNS Day Cycle. Note that prior to activation of ATG, accepted ETF Create/Redeem designated for settlement the following day had not been released to CNS until approximately Noon ET on settlement date.

ETF Index Receipt Agents and Authorized Participants are encouraged to utilize the CNS Projection Report issued daily at approximately midnight ET for reconciliation. Upon activation of ATG, net positions listed on the CNS Projection Report / MRO (AutoRoute #02042022) under the heading ‘Today’s Current Position’ will include the results of accepted ETF Create/Redeem orders designated to settle the following day, as this output is generated after the completion of the CNS Night Cycle. These positions will also be included in the CNS Position Prior to Day Cycle Report / MRO (AutoRoute #02040949).

For questions, please contact your DTCC Relationship Manager or the undersigned at kkilroy@dtcc.com.

Kelly Kilroy, Equity Clearing Product Management