



*Important Notice*  
**National Securities Clearing Corporation**

<b>A#:</b>	<b>7687</b>
<b>P&amp;S#:</b>	<b>7357</b>
<b>Date:</b>	<b>February 24, 2014</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>MUTUAL FUND SERVICES – NETWORKING ALPHA CODES</b>

Pursuant to Important Notice A7681 P&S#7251 issued on August 7, 2013 and an email notification distributed on December 11, 2013, National Securities Clearing Corporation (NSCC) will discontinue issuance of Networking Alpha Codes to new members subscribing to Networking services effective July 28, 2014.

The following records will be modified as set forth in this release:

- Account Maintenance Reconciliation F72
- Dividend/Cap Gain F63, F64, F65, F66, F67
- Position F58
- Account Conversion/Update A/B/T50, A/B/T/F51, A/B/T52 F53 (as part of Reference Number)

The modifications will be delivered in conjunction with the ACATS-Fund/SERV enhancements. Details on the ACATS-Fund/SERV enhancements will be communicated in a separate Important Notice.

**Firm/Fund Alpha Code Changes**

The following “Firm Alpha Code” and “Fund Alpha Code” fields will become Filler Space:

Field	Record Name	Record #	Seq #	Position	Type	Opt/Req	Description
<del>Fund Alpha Code</del> Filler	Account Maintenance Reconciliation	F72	1	75 - 76	A/N	Req	This field will change from “Fund Alpha Code” to Filler.
<del>Firm Alpha Code</del> Filler	Account Maintenance Reconciliation	F72	1	77 - 78	A/N	Req	This field will change from “Firm Alpha Code” to Filler.

DTCC, on behalf of its subsidiaries, 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).

<del>Fund Alpha Code</del> Filler	Dividend/Cap Gain	F63		65 - 66	A/N	Req	This field will change from "Fund Alpha Code" to Filler.
<del>Firm Alpha Code</del> Filler	Dividend/Cap Gain	F63		67 - 68	A/N	Req	This field will change from "Firm Alpha Code" to Filler.
<del>Fund Alpha Code</del> Filler	Dividend/Cap Gain	F64	1	84 - 85	A/N	Req	This field will change from "Fund Alpha Code" to Filler.
<del>Firm Alpha Code</del> Filler	Dividend/Cap Gain	F64	1	86 - 87	A/N	Req	This field will change from "Firm Alpha Code" to Filler.
<del>Fund Alpha Code</del> Filler	Dividend/Cap Gain	F65	1	92 - 93	A/N	Req	This field will change from "Fund Alpha Code" to Filler.
<del>Firm Alpha Code</del> Filler	Dividend/Cap Gain	F65	1	94 - 95	A/N	Req	This field will change from "Firm Alpha Code" to Filler.
<del>Fund Alpha Code</del> Filler	Dividend/Cap Gain	F66	1	104 - 105	A/N	Req	This field will change from "Fund Alpha Code" to Filler.
<del>Firm Alpha Code</del> or Reject Code Filler/Reject Code	Dividend/Cap Gain	F66	1	109 - 110	A/N	Req	This field will change from "Firm Alpha Code or Reject Code" to Filler/Reject Code.  Input: Space Output: Space or Reject Code
<del>Fund Alpha Code</del> Filler	Dividend/Cap Gain	F67		32 - 33	A/N	Req	This field will change from "Fund Alpha Code" to Filler.
<del>Firm Alpha Code</del> Filler	Dividend/Cap Gain	F67		34 - 35	A/N	Req	This field will change from "Firm Alpha Code" to Filler.
<del>Fund Alpha Code</del> Filler	Position	F58	1	54 - 55	A/N	Req	This field will change from "Fund Alpha Code" to Filler.
<del>Firm Alpha Code</del> Filler	Position	F58	1	56 - 57	A/N	Req	This field will change from "Firm Alpha Code" to Filler.

**Reference Number Changes**

“Reference Number” field composition will be changed as follows:

Field	Record Name	Record #	Seq #	Position	Type	Opt /Req	Current Rules / Proposed Change
Reference Number	Account Conversion / Update	A/B/T50 A/B/T/F51	1	10 - 20	A/N	O/O	<p>Reference number refers to a member-initiated Control Number using the standard format, <b>AA131999999</b> where:</p> <ul style="list-style-type: none"> <li>• <b>AA=Member Alpha Code</b></li> <li>• <b>131=Julian Date</b>, and</li> <li>• <b>999999=Numeric Sequence</b> assigned by member.</li> </ul> <p><b><u>Proposed Change:</u></b> <b>JJJYXXXXXXXX</b> where:</p> <ul style="list-style-type: none"> <li>• <b>JJJ = Julian Date</b></li> <li>• <b>Y = Last digit of the year</b></li> <li>• <b>XXXXXXXX = Alpha/numeric sequence</b></li> </ul>
NSCC Control Number or <b>Reference Number</b>	Account Conversion / Update	A/B/T52 F53	1	14 - 24	A/N	R/R	<p><u>For Record Type 52:</u> Must be space on input; NSCC will create control number on output.</p> <p><b><u>For Record Type 53:</u></b> Must be either NSCC Control Number when Transaction Type = 1, 2, 4, 5 or <b>Firm Reference Number</b> when Transaction Type = 3, 6 or 7.</p> <p><b><u>Proposed Change for the Reference Number:</u></b> <b>JJJYXXXXXXXX</b> where:</p> <ul style="list-style-type: none"> <li>• <b>JJJ = Julian Date</b></li> <li>• <b>Y = Last digit of the year</b></li> <li>• <b>XXXXXXXX = Alpha/numeric sequence</b></li> </ul>

Firm Reference Number	Account Conversion /Update	A/B/T52 F53	1	81-91	A/N	O/O	<p>By using this field, Firm can link Record Type 52 with Record Type 50 when sending both at the same time</p> <p><b><u>Proposed Change for the Reference Number:</u></b>  <b>JJJYXXXXXXXX</b> where:</p> <ul style="list-style-type: none"> <li>• <b>JJJ = Julian Date</b></li> <li>• <b>Y = Last digit of the year</b></li> <li>• <b>XXXXXXXX = Alpha/numeric sequence</b></li> </ul>
-----------------------	----------------------------	----------------	---	-------	-----	-----	--

NSCC will implement the above record modifications and will provide members with approximately twelve month grace period prior to systemically enforcing these changes. For the first phase of this enhancement, NSCC will no longer provide alpha codes to new members, will no longer validate the alpha code in the above mentioned records and will no longer validate the first two bytes of the reference numbers.

**BEST PRACTICES**

***1) Firm/Fund Alpha Code***

It is strongly recommended that participants update their systems to no longer send alpha codes in the newly assigned Filler fields; however NSCC will provide a grace period of approximately twelve months before we start rejecting any values other than spaces submitted in these fields as described below. NSCC will not validate the value should the participant elect to populate the filler field with anything other than spaces.

**Recommended Practice:**

“Firm Alpha Code” / “Fund Alpha Code” fields will become Filler Space and can be populated with the following values:

- 1) Spaces – **Preferred Best Practice** that will support the enhancement described in this notice
- 2) Populate with the valid alpha code for those participants who have been previously assigned an alpha code. Send a default value XX for those participants who do not have an assigned alpha code - NSCC will not validate these values and will allow participants to pass alpha codes in the filler space until approximately twelve months after the implementation of the enhancement described in this notice, after which the changes will be enforced and NSCC will start rejecting the records that contain values in the Filler Space.

## 2) *Reference Number*

It is strongly recommended that participants update their systems to adhere to the new algorithm for the Reference Number. However, in order to allow our clients sufficient time to make coding changes, NSCC will grant a grace period of approximately twelve months after the implementation of the changes described in this notice during which we will not validate the Reference Number or alpha codes. Participants may continue using the old algorithm during this period, but are strongly encouraged to update their systems to comply with the new algorithm within the twelve month time period.

### **Recommended Practice:**

“Reference Number” field composition will be changed and should be populated as follows:

- 1) **Preferred Best Practice** that will support the enhancement described in this notice. This field will not be validated until approximately twelve months after the implementation of this enhancement.

JJYXXXXXXXX where:

- JJJ = Julian Date
- Y = Last digit of the year
- XXXXXXXX = Alpha/numeric sequence

To ensure uniqueness of the Reference Number, participants are advised to use a combination of fields: “Reference Number” + “Participant Number”

- 2) Continue populating with the existing format. NSCC will not validate the format and will allow participants to continue using this format until approximately twelve months after the implementation of the enhancement described in this notice, after which the changes will be enforced and NSCC will start validating the format of this field.

AA131999999 where:

- AA=Member Alpha Code
- 131=Julian Date
- 999999=Numeric Sequence assigned by member.

The first two bytes of this field can be populated with the valid alpha code for those participants who have been previously assigned an alpha code. Participants can send a default value XX for those participants who do not have an assigned alpha code - NSCC will not validate these values.

### **Web Changes**

NSCC will continue to generate and autopopulate Reference Numbers on the Account Conversion/Update A/B/T50, A/B/T51 and A/B/T52 web input screens. The autogenerated Reference Number will follow the new format described in this notice. Participants will be allowed to update/override the autogenerated Reference Number with the old format. The updated value will not be validated during the grace period.

## **TESTING**

Effective **Thursday, June 19, 2014**, participants can begin testing in the Participant Services Environment (PSE) test region.

Participants are encouraged to test and must contact their Relationship Manager before testing begins for proper setup in the PSE region. Relationship Managers should be contacted at least three (3) days prior to testing.

## **DOCUMENTATION**

NSCC will no longer maintain alpha codes. All applicable documentation will be updated to reflect the changes and the recommended practices described in this notice.

Updated record layouts will be available on or about **Monday, March 24, 2014** and can be located on DTCC's website: <http://www.dtcc.com/investment-product-services/wealth-management-services/networking/product-client-center/gated-documents.aspx?gated=wms-section>

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

Yana Granovskiy  
Product Manager

---

Product Management  
DTCC Wealth Management Services