DTCC

Important Notice
National Securities Clearing Corporation

A#:	7808
P&S#	7378
DATE:	MARCH 25, 2014
TO:	ALL PARTICIPANTS
ATTENTION:	MANAGING PARTNER/OFFICER; OPERATIONS PARTNER/OFFICER; MANAGER P&S DEPARTMENT; MANAGER DATA PROCESSING;CASHIER
FROM:	PRODUCT MANAGEMENT
SUBJECT:	EXCHANGE TRADED FUNDS REWRITE IMPLEMENTATION DEADLINE – SEPTEMBER 30, 2014

As previously announced, NSCC plans to require full utilization of the enhanced Exchange Traded Funds (ETF) system on the evening of processing date ***September 30, 2014***. On this date, ***the following legacy input and output formats will no longer be available:***

Name	File Number
Input to NSCC	
Portfolio Composition	
11297	Domestic Portfolio Composition File
11299	Supplemental Domestic Portfolio Composition File
26364	Foreign Portfolio Composition File
Create/Redeem	
11522	Domestic Instruction Create / Redeem File

Output from NSCC	
Portfolio Composition	
02120156	Foreign Portfolio Composition Data File
02120512	Foreign Portfolio Composition Print Image Report
02260193	Domestic Portfolio Composition Data File
02260269	Custom Domestic Portfolio Composition Data File
02260293	Domestic Portfolio Composition Print Image Report
02260414	Custom Domestic Portfolio Composition Print Image Report
02290255	Supplemental Custom Domestic Portfolio Composition Print Image Report
02290256	Supplemental Domestic Portfolio Composition Data File
02290272	Supplemental Custom Domestic Portfolio Composition MRO File
02290273	Supplemental Domestic Portfolio Composition Print Image Report
Create/Redeem	
02262292	Domestic Instruction Create / Redeem Data File

Note: Please see Appendix C for a listing of all ETF files

The following section outlines the requirements for ETF Agents and Authorized Participants (AP):

ETF Agent Requirements	
1	**<u>DTCC Portal</u>** a) Begin using the web-based portfolio service - Firms must subscribe to the ETF's portfolio in the portal to receive data file output - Firms should subscribe to the web portal in production as it contains all of the domestic and foreign ETF portfolios - Firms may become familiar with the service in test (PSE) mode although it only contains data that ETF agents provide for testing purposes - Billing begins once portfolios are subscribed in production - See Appendix A for more details b) Continue using the self-service web interface for ETF Agent and AP relationships (Self-Service) - Paper agreements in PDF format are no longer supported - See Appendix B for more details
2	**<u>File changes</u>** – Beginning September 30, 2014 the following files will be the only input and output files for Exchange Traded Fund portfolio composition and create/redeem reporting. Agents must test to send and receive these files: <u>Input to NSCC</u> 1. Portfolio Composition: • Enhanced Consolidated Portfolio Composition (DATATRAK #11301) 2. Create/Redeem: • Enhanced ETF Create and Redeem Instruction (DATATRAK #11300) Note: ETF Agents are provided with the option to receive intra-day edit output for each PCF and Create / Redeem submission. Agents must ensure they are setup to receive an edit report following each submission. Agents should contact rmsupport@dtcc.com or CARTeam@dtcc.com first. After confirming you are set up, agents will need to successfully test the new input and output formats with the UAT group. Agents may contact the group through email at nsccsupport@dtcc.com. <u>Output from NSCC</u> 1. Portfolio Composition: • Enhanced Intra-day PCF Receipt/Reject (Print image, AutoRoute #02261955) • Enhanced Intra-day Consolidated Portfolio Composition Receipt/Reject (MRO, AutoRoute #02261255) • Enhanced Consolidated Portfolio Composition (MRO, AutoRoute #02261256) 2. Create/Redeem: • Enhanced Intra-day Create/Redeem edit (Print image, AutoRoute #02261954) • Enhanced ETF Create and Redeem Instruction (MRO, AutoRoute #02261254)

ETF Authorized Participant Requirements	
1	**<u>DTCC Portal</u>** a) Begin using the web-based portfolio service - Firms must subscribe to the ETF's portfolio in the portal to receive data file output - Firms should subscribe to the web portal in production as it contains all of the domestic and foreign ETF portfolios - Firms may become familiar with the service in test (PSE) mode although it only contains data that ETF agents provide for testing purposes - Billing begins once portfolios are subscribed in production - See Appendix A for more details b) Continue using the self-service web interface for ETF Agent and AP relationships (Self-Service) - Paper agreements in PDF format are no longer supported - See Appendix B for more details
2	**<u>File changes</u>** – Beginning September 30, 2014 the following will be the only output files for Exchange Traded Fund portfolio composition and create/redeem reporting. Authorized Participants are encouraged to subscribe to the new Enhanced Consolidated Portfolio Composition Data File, AutoRoute #02261256 and Enhanced Create and Redeem Instruction Data Output file, AutoRoute #02261254. This will enable APs to conduct production parallel testing with legacy and enhanced formats. APs will not receive portfolio data if they have not subscribed to the ETF Web which is a separate entitlement within the DTCC Portal. If AP's want to do selective testing for the Enhanced Portfolio process as well as Creation and Redemptions in addition or instead of a production parallel, you should select an agent(s) to partner with in testing in the Participant Service Environment (PSE) subject to availability while agents are testing. Authorized participants must test to receive these files: <u>Output from NSCC</u> 1. Portfolio Composition: • Enhanced Consolidated Portfolio Composition (MRO, AutoRoute #02261256) 2. Create/Redeem: • Enhanced ETF Create and Redeem Instruction (MRO, AutoRoute #02261254)

Additional Information and Contacts	
1	**<u>DTCC Portal</u>:** Required for ***portfolio setup*** and ***Agent/AP relationship changes*** • **Visit** DTCC Learning (ETF topic > ETF Portfolio Service – New! > The TRM System section) for detailed instructions on using the ETF Relationship Management tool. An ETF training module is available using the following link. • **Contact** a Super Access Coordinator within your firm to obtain access to the Portal. You may also contact rmsupport@dtcc.com or webimplementation@dtcc.com to request Super ACs entitlement to the Relationship Management tool
2	**<u>NSCC Enhanced ETF file information</u>:** Required for ***understanding*** and ***testing enhanced files*** • **Visit** the DTCC Website (Clearing Services > Equities Clearing – Trade Capture > ETF > NSCC file formats) for file layouts and sample reports • **Visit** the DTCC Learning website (ETF Topic) for a detailed test plan and additional information • **Contact** rmsupport@dtcc.com or CARTeam@dtcc.com to subscribe to ETF input and output and to ensure access to the Participant Services Environment • **Contact** nsccsupport@dtcc.com to begin testing. File setup requests should be complete prior to testing.

For questions about the ETF rewrite, please contact your Relationship Manager or the undersigned at tgarrett@dtcc.com.

Tim Garrett
Product Management

Appendix A: Web-based portfolio service

- The consolidated PCF output contains each participant's subscribed portfolios only. This will include any ETF portfolio submitted by agents as a supplemental on Trade Date before the Noon ET cut-off.
- Participants may subscribe to portfolios they want to view or download via the web interface:
  - Participants will be required to select standard portfolios for subscription. The subscription indicator is automatically turned on for custom portfolios.
  - Participants may unsubscribe from a standard portfolio as long as the subscription was not enabled on the same day.
- PCF web reporting is available for all T-1 and supplemental portfolios:
  - All portfolios are reported in the new consolidated format; NSCC reconfigures the portfolios that are submitted in the legacy formats to the new consolidated format.
  - Accepted supplemental portfolios are available immediately for viewing within the Portfolio Web Interface.
  - Only the final version of T-1 portfolios will be reported.
  - Participants may view and download up to five prior business day's subscribed ETF portfolios

Appendix B: Self-Service Web Interface for ETF Agent & AP Relationship (for Create / Redeem Activity)

- NSCC has implemented an online facility by which participants establish, monitor and maintain the ETF Agent and AP relationships:
- The paper-based legacy process is no longer available. All relationship must be managed using the self-service web application.
- Relationship set-up or deletion requests can be initiated by either side of the relationship, i.e., the ETF Agent or the AP, but must be approved by an authorized approver of the opposite side.

Appendix C – REFERENCE GUIDE FOR EXCHANGE TRADED FUNDS INPUT & OUTPUT as of 3/28/2014

INPUT	Production DATATRAK	Test DATATRAK	Description	EFFECTIVE 9/30/14
	11297	41297	Domestic Portfolio Composition File	To be discontinued
	11299	41299	Supplemental Domestic Portfolio Composition File	To be discontinued
	26364	46364	Foreign Portfolio Composition File	To be discontinued
	11522	41522	Domestic Instruction Create / Redeem File	To be discontinued
			ETF Rewrite	
	11301	41301	Enhanced Consolidated Portfolio Composition Data Input File	ETF Agents Only
	11300	41300	Enhanced ETF Create and Redeem Instruction Data Input File	ETF Agents Only

OUTPUT	Production AutoRoute	Test AutoRoute	Description	EFFECTIVE 9/30/14
	02120156	02980156	Foreign Portfolio Composition Data File	To be discontinued
	02120512	02980512	Foreign Portfolio Composition Print Image Report	To be discontinued
	02260193	02980193	Domestic Portfolio Composition Data File	To be discontinued
	02260293	02980293	Domestic Portfolio Composition Print Image Report	To be discontinued
	02260269	02980269	Custom Domestic Portfolio Composition Data File	To be discontinued
	02260414	02980414	Custom Domestic Portfolio Composition Print Image Report	To be discontinued
	02260421	02980421	End-of-Day Portfolio Composition (Receipt / Reject) Print Image Report	ETF Agents Only
	02290256	02980256	Supplemental Domestic Portfolio Composition Data File	To be discontinued
	02290273	02980273	Supplemental Domestic Portfolio Composition Print Image Report	To be discontinued
	02290272	02980272	Supplemental Custom Domestic Portfolio Composition MRO File	To be discontinued
	02290255	02980255	Supplemental Custom Domestic Portfolio Composition Print Image Report	To be discontinued
	02262292	02982292	Domestic Instruction Create / Redeem Data File	To be discontinued
	02260291	02980291	Enhanced Instruction Create / Redeem Instruction Print Image Report	Agents and AP's
	02120098	02980098	End-of-day Instruction Create / Redeem Reject Report	ETF Agents Only
			ETF Rewrite	
	02261256	02981256	Enhanced Consolidated Portfolio Composition Data File	
	02261255	02981255	Enhanced Intra-Day Consolidated Portfolio Composition Receipt / Reject Data File	ETF Agents Only
	02261955	02981955	Enhanced Intra-day Consolidated Portfolio Composition Receipt / Reject Report	ETF Agents Only
	02261254	02981254	Enhanced ETF Create and Redeem Instruction Data Output	
	02261954	02981954	Enhanced Intra-day Create Redeem Receipt / Reject Report	ETF Agents Only
			UTC Output	
	02081673	02981673	UTC Contract Data File	Results of C / R