DTCC | *Important Notice*
National Securities Clearing Corporation

A#:	8044
Date:	June 18, 2015
P&S #:	7619
To:	ALL AIP MEMBERS
From:	WEALTH MANAGEMENT SERVICES – ALTERNATIVE INVESTMENT PRODUCT SERVICES
Attention:	ALTERNATE INVESTMENT RELATIONS ALTERNATE INVESTMENT OPERATIONS ALTERNATE INVESTMENT CUSTODY
Subject:	NEW AIP INTRODUCING BROKER DEALER CODING AND FIELDS & ADDITIONAL PRODUCTION CYCLE ENHANCEMENTS - 2015

Effective ***Friday, October 23, 2015** National Securities Clearing Corporation (NSCC) will implement enhancements to the Alternative Investment Product Services ("AIP") into Production. AIP is scheduled to migrate the new coding and fields into Production on Thursday, October 22, 2015 **after** the 7:00pm (ET) End of Day Processing Cycle.

AIP will be enhanced to allow both Clearing Broker Dealers ("AIP Distributors") and Funds ("AIP Manufacturers") to process trades with an equal level of specificity on the AIP application. These enhancements will add new fields to identify the Registered Investment Advisors ("RIAs") and Registered Reps on the trades.

Additionally, a new 6:10am (ET) cycle will be implemented in Production to balance AIP Members' early morning workload.

Below is a comprehensive description of these enhancements. In addition, we have provided a link to the Industry Enhancement Document and Data Dictionary 11.0 that identifies the impacted records, fields and values as part of this release.

AIP Enhancement Summary
(Mainframe and Web Portal Users)

1. Order Enhancements

o Rename the 'Introducing Broker Dealer Name' field to 'Introducing Broker Dealer <u>Firm</u> Name / Registered Investment Advisor <u>Firm</u> Name'

o Change condition on the 'Introducing Broker Dealer <u>Firm</u> Name/Registered Investment Advisor <u>Firm</u> Name' from Optional to Optional Conditional

o Add conditional requirement to the Introducing Broker Dealer Firm Name/Registered Investment Advisor <u>Firm</u> Name field to the following:
Required if Trading Model = 2

o Change condition on the existing RIA/RR Indicator field from Optional to Optional Conditional

o Add conditional requirement for the existing RIA/RR Indicator field to the following:
Required if Trading Model = 2

o Rename the 'Account Representative Name' field to 'Account Representative/<u>Advisor</u> Name'

o Change condition on the Account Representative/<u>Advisor</u> Name field from Optional to Optional Conditional

o Add conditional requirement for the existing Account Representative/<u>Advisor</u> Name field to the following:
Required if the following fields are provided: Trading Model = 2 and RIA/RR Indicator = 2

o Rename the 'Account Representative Number' field to 'Account Representative/<u>Advisor</u> Number'

o Change condition on the Account Representative/<u>Advisor</u> Number field from Optional to Optional Conditional

o Add conditional requirement to the Account Representative/<u>Advisor</u> Number to the following:
Required if the following fields are provided: Trading Model = 2, RIA/RR Indicator = 2 and Individual CRD/IARD Number is **not** populated

o Change condition on the existing Branch ID Number field from Optional to Optional Conditional

o Add conditional requirement to the Branch ID Number to the following:
Required if the following fields are provided: Trading Model = 2 and RIA/RR Indicator = 2

2

- Add a new field called 'Trading Model' to an existing 'filler' space

- New 'Trading Model' field is Required

- Add new values to the Trading Model
  - 1 = Non-clearing Trades
  - 2 = Clearing Trades

- Add a new field called 'AIP Firm Role' to an existing 'filler' space

- New 'AIP Firm Role' field is Optional Conditional

- Add conditional requirement to the 'AIP Firm Role' to the following:
  Required if Trading Model = 2

- Add new values to the AIP Firm Role
  - 1 = Custodian
  - 2 = Broker
  - 3= Custodian & Broker

- Add existing 'Firm CRD Number' to the Order record

- Add conditional requirement to the 'Firm CRD Number' to the following:
  Required if Trading Model = 2
  This field must be 10 bytes in length, if less than 10 bytes it must be padded with leading zeros
  (Zeros are allowed)

- Add a new field called 'Individual CRD/IARD Number' to the Order record

- Add conditional requirement to the 'Individual CRD/IARD Number' to the following: Required if the
  following fields are provided: Trading Model = 2, RIA/RR Indicator = 2 and Account
  Representative/Advisor Number is not populated
  This field must be 10 bytes in length, if less than 10 bytes it must be padded with leading zeros
  (Zeros are allowed)

- Change condition on the existing 'Erisa Eligible Indicator' field from Required to Optional

- Change condition on the existing 'Erisa Percentage' field from Required to Optional

- Change condition on the existing 'Erisa Pre-Certified Indicator' field from Required to Optional

- Add new field called 'NAV Account Indicator' to the Order record

- New 'NAV Account Indicator' field is Optional

3

- o Add new values to the 'NAV Account Indicator'
  - 0 = Other
  - 1 = NAV Transfer
  - 2 = Repurchase
  - 3 = Firm Employee
  - 4 = Sponsor Employee
  - 5 = Wrap Account
  - 6 = RIA

2. Order with Registration Enhancements

- o Rename the 'Introducing Broker Dealer Name' field to 'Introducing Broker Dealer Firm Name / Registered Investment Advisor Firm Name'

- o Change condition on the 'Introducing Broker Dealer Firm Name/Registered Investment Advisor Firm Name' from Optional to Optional Conditional

- o Add conditional requirement to the Introducing Broker Dealer Firm Name/Registered Investment Advisor Firm Name field to the following:
  Required if Trading Model = 2

- o Rename the 'Account Representative Name' field to 'Account Representative/Advisor Name'

- o Change condition on the Account Representative/Advisor Name field from Optional to Optional Conditional

- o Add conditional requirement for the existing Account Representative/Advisor Name field to the following:
  Required if the following fields are provided: Trading Model = 2 and RIA/RR Indicator = 2

- o Rename the 'Account Representative Number' field to 'Account Representative/Advisor Number'

- o Change condition on the Account Representative/Advisor Number field from Optional to Optional Conditional

- o Add conditional requirement to the Account Representative/Advisor Number to the following:
  Required if the following fields are provided: Trading Model = 2, RIA/RR Indicator = 2 and Individual CRD/IARD Number is **not** populated

- o Change condition on the existing Branch ID Number field from Optional to Optional Conditional

4

- o Add conditional requirement to the Branch ID Number to the following:
  Required if the following fields are provided: Trading Model = 2 and RIA/RR Indicator = 2

- o Add a new field called 'Trading Model' to an existing 'filler' space

- o New 'Trading Model' field is Required

- o Add new values to the Trading Model
  - ▪ 1 = Non-clearing Trades
  - ▪ 2 = Clearing Trades

- o Add a new field called 'AIP Firm Role' to an existing 'filler' space

- o New 'AIP Firm Role' field is Optional Conditional

- o Add conditional requirement to the 'AIP Firm Role' to the following:
  Required if Trading Model = 2

- o Add new values to the AIP Firm Role
  - ▪ 1 = Custodian
  - ▪ 2 = Broker
  - ▪ 3= Custodian & Broker

- o Rename existing 'CRD Number' field to 'Firm CRD Number'

- o Add conditional requirement to the 'Firm CRD Number' to the following:
  Required if Trading Model = 2
  This field must be 10 bytes in length, if less than 10 bytes it must be padded with leading zeros
  (Zeros are allowed)

- o Add a new field called 'Individual CRD/IARD Number' to the Order record

- o Add conditional requirement to the 'Individual CRD/IARD Number' to the following: Required if the
  following fields are provided: Trading Model = 2, RIA/RR Indicator = 2 and Account
  Representative/Advisor Number is not populated
  This field must be 10 bytes in length, if less than 10 bytes it must be padded with leading zeros
  (Zeros are allowed)

- o Rename existing value to the 'NAV Account Indicator' field from (3 = Employee) to (3 = Firm
  Employee)

- o Add new values to the 'NAV Account Indicator'
  - ▪ 4 = Sponsor Employee
  - ▪ 5 = Wrap Account
  - ▪ 6 = RIA

5

3. Order Confirmation/Correction Enhancements

- Add a new field called 'Introducing Broker Dealer <u>Firm</u> Name/Registered Investment Advisor <u>Firm</u> Name' to an existing 'filler' space

  New 'Introducing Broker Dealer <u>Firm</u> Name/Registered Investment Advisor <u>Firm</u> Name' is 'Optional Conditional'

- Add conditional requirement to the Introducing Broker Dealer Firm Name/Registered Investment Advisor <u>Firm</u> Name field to the following:
  Required for Record Types: (008 = Correction) and (041 = Prepaid Correction)
  If the Trading Model = 2 (Otherwise this field is not allowed to be populated)

- Change condition on the existing RIA/RR Indicator field from Optional to Optional Conditional

- Add conditional requirement for the existing RIA/RR Indicator field to the following:
  Required for Record Types: (008 = Correction) and (041 = Prepaid Correction)
  Required if Trading Model = 2

- Rename the 'Account Representative Name' field to 'Account Representative/<u>Advisor</u> Name'

- Change condition on the Account Representative/<u>Advisor</u> Name field from Optional to Optional Conditional

- Add conditional requirement for the existing Account Representative/<u>Advisor</u> Name field to the following:
  Required if the following fields are provided:
  Required for Record Types: (008 = Correction) and (041 = Prepaid Correction)
  If the (Trading Model = 2) and (RIA/RR Indicator = 2)

- Rename the 'Account Representative Number' field to 'Account Representative/<u>Advisor</u> Number'

- Change condition on the Account Representative/<u>Advisor</u> Number field from Optional to Optional Conditional

- Add conditional requirement to the Account Representative/<u>Advisor</u> Number to the following:
  Required for Record Types: (008 = Correction) and (041 = Prepaid Correction)
  If the following fields are provided: (Trading Model = 2), (RIA/RR Indicator = 2) and (Individual CRD/IARD Number) is **not** populated

- Add a new field called 'Branch ID Number' to an existing 'filler' space

- New 'Branch ID Number' field is Optional Conditional

- o Add conditional requirement to the 'Branch ID Number' to the following:
  Required for Record Types: (008 = Correction) and (041 = Prepaid Correction)
  If the following fields are provided: (Trading Model = 2) and (RIA/RR Indicator = 2)
  (Otherwise this field is not allowed to be populated)

- o Add a new field called 'Trading Model' to an existing 'filler' space

- o New 'Trading Model' field is Optional Conditional

- o Add new values to the 'Trading Model'
  - ▪ 1 = Non-clearing Trades
  - ▪ 2 = Clearing Trades

- o Add conditional requirement to the 'Trading Model' to the following:
  Required for Record Types: (008 = Correction) and (041 = Prepaid Correction)
  (Otherwise this field is not allowed to be populated)

- o Add a new field called 'AIP Firm Role' to an existing 'filler' space

- o New 'AIP Firm Role' field is Optional Conditional

- o Add conditional requirement to the 'AIP Firm Role' to the following:
  Required for Record Types: (008 = Correction) and (041 = Prepaid Correction) if Trading Model = 2
  (Otherwise this field is not allowed to be populated)

- o Add new values the AIP Firm Role
  - ▪ 1 = Custodian
  - ▪ 2 = Broker
  - ▪ 3= Custodian & Broker)

- o Add a new field called 'Firm CRD Number' to an existing 'filler' space

- o Add conditional requirement to the 'Firm CRD Number' to the following:
  Required for Record Types: (008 = Correction) and (041 = Prepaid Correction) if Trading Model = 2
  This field must be 10 bytes in length, if less than 10 bytes it must be padded with leading zeros
  (Zeros are allowed)

- o Add a new field called 'Individual CRD/IARD Number' to an existing 'filler' space

- o Add conditional requirement to the 'Individual CRD/IARD Number' to the following:
  Required for Record Types: (008 = Correction) and (041 = Prepaid Correction) if the
  (Trading Model = 2), (RIA/RR Indicator = 2) and (Account Representative/Advisor Number is not
  populated)
  (Otherwise this field is not allowed to be populated)
  This field must be 10 bytes in length, if less than 10 bytes it must be padded with leading zeros
  (Zeros are allowed)

- o   Change condition on the existing 'Erisa Eligible Indicator' field from Required to Optional

- o   Change condition on the existing 'Erisa Percentage' field from Required to Optional

- o   Change condition on the existing 'Erisa Pre-Certified Indicator' field from Required to Optional

- o   Add new field called 'NAV Account Indicator' to the Confirmation/Correction record

- o   New 'NAV Account Indicator' field is Optional

- o   Add new values to the 'NAV Account Indicator'
    - ▪ 0 = Other
    - ▪ 1 = NAV Transfer
    - ▪ 2 = Repurchase
    - ▪ 3 = Firm Employee
    - ▪ 4 = Sponsor Employee
    - ▪ 5 = Wrap Account
    - ▪ 6 = RIA

4. Order Acknowledgement/Rejects/Exit Enhancements

- o   Change condition on the existing 'Erisa Eligible Indicator' field from Required to Optional

- o   Change condition on the existing 'Erisa Percentage' field from Required to Optional

- o   Change condition on the existing 'Erisa Pre-Certified Indicator' field from Required to Optional

5. Account Registration/Account Maintenance Enhancements

- o   Add additional conditional requirement for the existing RIA/RR Indicator field to the following:
  Required if Record Type = (053 – Account Maintenance) and if Trading Model = 2

- o   Rename the 'Introducing Broker Dealer Name' field to 'Introducing Broker Dealer Firm Name / Registered Investment Advisor Firm Name'

- o   Change condition on the 'Introducing Broker Dealer Firm Name/Registered Investment Advisor Firm Name' from Optional to Optional Conditional

- o   Add conditional requirement to the Introducing Broker Dealer Firm Name/Registered Investment Advisor Firm Name field to the following:
  Required if Trading Model = 2

- o   Rename the 'Account Representative Name' field to 'Account Representative/Advisor Name'

8

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.

- o Change condition on the Account Representative/<u>Advisor</u> Name field from Optional to Optional Conditional

- o Add conditional requirement for the existing Account Representative/<u>Advisor</u> Name field to the following:
  Required if the following fields are provided: (Trading Model = 2) and (RIA/RR Indicator = 2)

- o Rename the 'Account Representative Number' field to 'Account Representative/<u>Advisor</u> Number'

- o Change condition on the Account Representative/<u>Advisor</u> Number field from Optional to Optional Conditional

- o Add conditional requirement to the Account Representative/<u>Advisor</u> Number to the following:
  Required if the following fields are provided: (Trading Model = 2), (RIA/RR Indicator = 2) and (Individual CRD/IARD Number is **not** populated)

- o Change condition on the existing Branch ID Number field from Optional to Optional Conditional

- o Add conditional requirement to the Branch ID Number to the following:
  Required if the following fields are provided: (Trading Model = 2) and (RIA/RR Indicator = 2)

- o Rename existing 'CRD Number' to 'Firm CRD Number'

- o Change condition for 'Firm CRD Number' from Optional to Optional Conditional

- o Add conditional requirement to the 'Firm CRD Number' to the following:
  Required if Trading Model = 2
  This field must be 10 bytes in length, if less than 10 bytes it must be padded with leading zeros (Zeros are allowed)

- o Add a new field called 'Individual CRD/IARD Number' to an existing 'filler' space

- o New 'Individual CRD/IARD Number' field is Optional Conditional

- o Add conditional requirement to the 'Individual CRD/IARD Number' to the following:
  Required if the following fields are provided:
  (Trading Model = 2), (RIA/RR Indicator = 2) and (Account Representative/Advisor Number is <u>not</u> populated)
  This field must be 10 bytes in length, if less than 10 bytes it must be padded with leading zeros (Zeros are allowed)

- o Add a new field called 'Trading Model' to an existing 'filler' space

- o New 'Trading Model' field is Required

9

- Add new values to the Trading Model
  - 1 = Non-clearing Trades
  - 2 = Clearing Trades

- Add a new field called 'AIP Firm Role' to an existing 'filler' space

- New 'AIP Firm Role' field is Optional Conditional

- Add conditional requirement to the 'AIP Firm Role' to the following: Required if Trading Model = 2

- Add new values to the AIP Firm Role
  - 1 = Custodian
  - 2 = Broker
  - 3= Custodian & Broker

- Rename existing value to the 'NAV Account Indicator' field from (3 = Employee) to (3 = Firm Employee)

- Add new values to the 'NAV Account Indicator'
  - 4 = Sponsor Employee
  - 5 = Wrap Account
  - 6 = RIA

6. Exchange Enhancements

- Rename the 'Account Representative Name' field to 'Account Representative/Advisor Name'

- Rename the 'Account Representative Number' field to 'Account Representative/Advisor Number'

7. Commission Enhancements

- Rename the 'Account Representative Number' field to 'Account Representative/Advisor Number'

- Rename the value 'R' = Representative Name to 'R' = Account Representative/Advisor Name in the Name Indicator 1 Field Name

- Rename the value 'R' = Representative Name to 'R' = Account Representative/Advisor Name in the Name Indicator 2 Field Name

- Rename the existing 'Related Control Number' field to the following:
  - Control Number

- New 'Control Number' field is Required

- o AIP will validate the 'Control Number' for correct format

- o The existing 'Related Control Number' field will be moved to the bottom of the record

- o 'Related Control Number' is Optional Conditional

- o Add conditional requirements to the 'Related Control Number' to the following: Required if Debit Reason Code = (4 – Trade Cancellation)

- o AIP will validate the 'Related Control Number' for correct format

- o Change existing 'Transaction Code' field to 'filler' space for future usage

8. Account Transfer Enhancements

- o Rename the 'Introducing Broker Dealer Name' field to 'Introducing Broker Dealer <u>Firm</u> Name / Registered Investment Advisor <u>Firm</u> Name'

- o Rename the 'Receiving Introducing Broker Dealer Name' field to 'Receiving Introducing Broker Dealer <u>Firm</u> Name / Registered Investment Advisor <u>Firm</u> Name'

9. Account Transfer Acknowledgement/Reject/Exit Enhancements

- o Rename the 'Introducing Broker Dealer Name' field to 'Introducing Broker Dealer <u>Firm</u> Name / Registered Investment Advisor <u>Firm</u> Name'

- o Rename the 'Receiving Introducing Broker Dealer Name' field to 'Receiving Introducing Broker Dealer <u>Firm</u> Name / Registered Investment Advisor <u>Firm</u> Name'

10. Account Transfer Confirmation/Correction Enhancements

- o Rename the 'Introducing Broker Dealer Name' field to 'Introducing Broker Dealer <u>Firm</u> Name / Registered Investment Advisor <u>Firm</u> Name'

- o Rename the 'Receiving Introducing Broker Dealer Name' field to 'Receiving Introducing Broker Dealer <u>Firm</u> Name / Registered Investment Advisor <u>Firm</u> Name'

11

11.   NSCC Reject Reason Code Enhancements

- o   Add New NSCC Reject Reason Codes & Descriptions
- o   Rename existing NSCC Reject Reason Codes & Descriptions
- o   Rename existing Firm/Fund Reject Reason Codes & Descriptions
- o   Add New Firm/Fund Reject Reason Codes & Descriptions

12.   New Additional Production Output Processing Cycle Enhancement

- o   Add new 6:10am (ET) cycle

Testing

Effective Friday, July 31, 2015 participants can begin testing these AIP Enhancements in the first AIP cycle of the day at 9:00am (ET). The new 6:10am (ET) cycle is not included in the Test/PSE environment output processing schedule.

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

Documentation

The updated AIP Industry Document & Data Dictionary 11.0 (Record Layouts) will be available on or about June 22, 2015 on DTCC's Wealth Management Services website located under the PSE Enhancements Section of the AIP website http://www.dtcc.com/aip . In addition, all impacted records, fields and values are highlighted in 'red' in Data Dictionary 11.0 for your review.

The record and field format information provided within this Important Notice is for informational purposes only and does not constitute the final Record Layouts. NSCC reserves the right to make additional changes to the Record Layouts prior to implementation.

Questions and comments regarding this Important Notice may be directed to Michelle McLean at 212-855-2443.

Michelle McLean
AIP - Director
DTCC Wealth Management Services
212-855-2443