



<b>A#:</b>	<b>8073</b>
<b>P&amp;S#</b>	<b>7648</b>
<b>Date:</b>	<b>August 27, 2015</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>Money Market Reform - Social Code Updates</b>

Effective November 30, 2015, National Securities Clearing Corporation (NSCC) will be implementing social code changes for Fund/SERV®, Networking, DTCC Payment aXis®, ACATS, and Mutual Fund Profile Service II.

In July, 2014, the Securities and Exchange Commission (“SEC”) adopted amendments to the rules that govern money market mutual funds (“Money Market Reform”). These amendments make structural and operational reforms to address risks of investor runs in money market funds, while preserving the benefits of such funds. A two year transition period, enabling both funds and investors sufficient time to enhance their systems, operating and investing practices, was provided in order to meet the compliance date of October 14, 2016.

In connection with full implementation of Money Market Reform, NSCC members requested that NSCC make certain initial enhancements to its Mutual Fund Services, as follows: (i) adding one new social code and (ii) revise two existing social codes, in each case, to provide further transparency to more accurately identify account types. NSCC will implement these enhancements effective November 30, 2015. **Clients are strongly encouraged to review and update the mapping of accounts on their systems to the appropriate NSCC social code when communicating through NSCC.**

- **Add New Social Code - 95:**

Description: “Trust - Institutional”  
Definition: Use when a Bank or Trust Company acts as custodian or trustee for an underlying shareholder or entity (non-retirement). Accounts are registered in the firm's name under their TIN.  
Best Practice: Firm is responsible for tax reporting  
Categorization: Institutional

Note: In the case of money market funds, this social code is to be used for instances where a natural person does not maintain the ability to exercise investment power including the power to redeem (e.g., irrevocable trust or no trustee is a natural person).

- **Revise Social Code 15 Description:**

**New Description:** “Trust – Retail”

**Definition:** Use for trusts where an individual is registered as trustee for the Trust and the TIN belongs to the trustee or the Trust.

**Best Practice:** Fund is responsible for tax reporting, unless level 3 or trust networked.

**Categorization:** Retail

- **Revise Social Code 42 Description and Definition:**

**New Description:** “Bank/Trust FBO”

**New Definition:** Use when a Bank or Trust Company acts as custodian or trustee for an underlying shareholder (non-retirement). Accounts are registered in the firm's name under their TIN.

**Best Practice:** Firm is responsible for tax reporting

**Categorization:** Retail

*Note:* In the case of money market funds, this social code is to be used for instances where a natural person maintains the ability to exercise investment power including the power to redeem (e.g., revocable trust or where at least one natural person is a trustee).

NSCC continues to work with industry participants and the Investment Company Institute to determine if any additional enhancements should be made to meet the needs of the markets in regards to Money Market Reform. Additional enhancements may be forthcoming and clients will be notified via an Important Notice. However, to better classify accounts this request has been prioritized and will be implemented first.

### **TESTING**

Effective, Monday, November 9, 2015 clients can begin testing in the Participant Services Environment (PSE) test region.

Clients 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**

The complete social code list, including the social codes referenced above, will be updated on or before November 9, 2015 and can be located on DTCC’s website under [Mutual Fund Services documentation](#).

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

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