A#:	a8286
P&S:	7861
Date:	**November 8, 2016 Revised January 3, 2017**
To:	**ALL MEMBERS AND LIMITED MEMBERS**
From:	**WEALTH MANAGEMENT SERVICES – MUTUAL FUNDS**
Attention:	**MANAGER MUTUAL FUNDS OPERATIONS, MANAGER DATA PROCESSING, MANAGER CASHIERS, MANAGER P&S DEPARTMENT**
Subject:	**DOL Fiduciary Rule – Enhancements to DTCC Payment aXis Commission and Fee Settlement, Networking and Retirement Plan Reporting**

Effective, **Monday, February 27, 2017**, National Securities Clearing Corporation (NSCC) will implement enhancements to the following services:

➢ **DTCC Payment aXis Commission and Fee Settlement**
➢ **Networking**
  o **Activity Record**
  o **Position Record**
  o **Account Conversion /Update & Transfer/Acknowledgement Record**
➢ **Retirement Plan Reporting**

On April 6, 2016, the U.S. Department of Labor (DoL) published a DoL Fiduciary rule. NSCC in conjunction with the DoL NSCC Enhancements Working Group of the Investment Company Institute's (ICI) Broker/Dealer Advisory Committee and Bank, Trust and Retirement Advisory Committee (respectively; the "Working Group") defined enhancements to the Mutual Fund Services necessary for our clients to comply with the DoL rule. The recommended enhancements allow for communication of new data elements for retirement plan accounts and IRA accounts.

There are a number of required changes, therefore, you must provide the information indicated in the record layouts to avoid rejects from NSCC. There are also optional and optional/conditional changes to existing NSCC record layouts; please review carefully to identify changes that may impact your NSCC activity.

NSCC is currently collaborating with the Working Group to create best practices. The practices will provide additional guidance on the use of the new fields and values specified in this Important Notice. Any best practices included in this notice will be added to the applicable existing user guides/technical manuals and should be used in conjunction with the updated record layouts as requested by the Working Group, along with any additional best practices identified by the Working Group.

Below is a summary of the enhancements included in this release. Details illustrating the specific enhancements and best practices are included in the attached Appendix A. The Appendix is segregated by service (DTCC Payment aXis, Networking and Retirement Plan Reporting). ***The Appendix is for informational purposes and may not represent the final record layouts. NSCC reserves the right to make additional changes prior to implementation.***

As part of this release, NSCC will modify existing Mutual Funds Services as follows:

1) **NSCC will add the following data elements to DTCC Payment aXis Commission and Fee Settlement to better define compensation for retirement plan accounts:**

   a. New commission types will be added to the existing "Commission Type" field to allow for communication and settlement of level fee-based compensation. These fee types will be provided by record keepers when communicating and remitting "levelized" fees to firms:
      - Level Indirect Retirement Plan Compensation - intended to represent a third party (for example from a trust, record keeper and not paid directly by the plan, plan sponsor, or plan participant) commission payment based upon a set (predetermined) rate calculated equally across all commissionable plan assets.
      - Level Fee-Based Retirement Plan Compensation - intended to represent plan-level advisory compensation in an amount based on a pre-arranged agreement between the service provider (e.g. RIA) and the plan.

   b. Allow record keepers to specify if the Security Issue ID for a particular levelized compensation is an internal client-created Security Issue ID. The following new Optional/Conditional "Security Issue ID Indicator" field will contain the following values:
      - Blank (blanks will be used for all existing commission types, excluding the new types described under 1a)
      - 1 = Internal client-created Security Issue ID
      - 2 = Registered Product-Level Security Issue ID

   This field will be required if the existing "Commission Type" field is populated with one of the two new commission types described in 1a (Level Indirect Retirement Plan Compensation or Level Fee-Based Retirement Plan Compensation).

   The existing "Security Issue ID" field currently allows for communication of registered as well as non-registered (internal client-created) Security Issue IDs. The following best practice is being recommended for the algorithm of internal client-created Security Issue IDs: NNNNXXXXX.
      - NNNN – NSCC participant number of the record submitter
      - XXXXX – alpha/numeric sequence

   c. Provide firms with the ability to return payments to the original payment deliverer and provide a reason code. Firms may return payments that are not permitted by their internal policies and procedures. For example, firms that will only allow levelized compensation may opt to return a

payment for a **12b-1** commission on a retirement plan account with social code of "12=401(k) Plan non-prototype".

This new functionality is not intended to and will not prevent the original payment or settlement. All payments submitted to DTCC Payment aXis with the "Settlement Indicator" set to "settlement" (including the payments that may not be allowed by the firm's policies) will continue to be settled through DTCC Payment aXis. Subsequently, firms may return payments to the original payer and the returned payments will settle through DTCC Payment aXis as a Credit to the original payer.

- NSCC will create a new Header Record 15 which will be utilized by firms for returning payments.
- Firms must adhere to the existing DTCC Payment aXis record structure and provide the entire set of records when returning a particular payment/set of payments:
  Returned Payment 1
  - o Header Record 15
    - o Detail record(s) 31
  - o Trailer Record 32
  Returned Payment 2
  - o Header Record 15
    - o Detail record(s) 31
  - o Trailer Record 32
  Grand Total Trailer Record 33
- New Header Record 15 will be "Credit" only (firms will be able to return payments to original payers).
- "Returned Payment Reason Code" field will contain a reason for returning payment.
- Existing "Debit/Credit Indicator" field (DTCC Payment aXis Trailer Record 32) will be modified to NOT allow a value of "1=Debit" in combination with Header Record 15.
- Existing "Receiving Firm #" field will be renamed "Receiving Firm / Fund #" on DTCC Payment aXis Grand Total Trailer Record 33. This change will align this field with the same field on the new Header 15.

2) **NSCC will provide the following data elements to allow for communication of key data points related to retirement plan / IRA accounts:**

DTCC Payment aXis Commission and Fee Settlement
a. Add two new Optional/Conditional "Customer Account Indicator 2" and "Customer Account 2" fields. These fields will be used in combination with the existing "Customer Account Indicator" and "Customer Account" fields. This enhancement will allow clients to provide both the Dealer and Fund account numbers (if both accounts are available).
b. Add a new "Systematic Investment Purchase" value to existing "Transaction Type" field, allowing clients to indicate commission payment is the result of a systematic investment purchase.

<u>Networking – the following will be added to specific Networking files:</u>

c. Add a new Optional "Account Representative ID" field to the following files:
   - Activity Record F55
   - Position File F58

d. Add a new Optional "Account Representative Name" field to Position File F58.

e. Add an Optional "Branch Identification Number" field to the following files:
   - Activity Record F55
   - Position File F58

f. Add 2 new Networking Transaction Description Codes under existing code "01-Direct Purchase" on Activity Record F55:
   - AZ = Initial Purchase
   - A@ = Subsequent Purchase

   Please note: the new "Subsequent Purchase" code will contain a special character @.

g. Add a new Optional "Account Open Date" field to the following files:
   - Activity record F55
   - Position File F58

   This enhancement will allow funds to communicate the date of account establishment for the particular Security Issue ID.

h. The following systematic trade information fields will be added to Account Conversion / Update & Transfer / Acknowledgment Record F51. These data elements will be used in combination with the existing "Systematic Contribution Indicator", "SWP Indicator" and "Payment Date Indicators" fields to allow for communication of systematic activity on an account along with contribution/withdrawal amount and frequency. The following new fields will NOT be allowed on records A/B/T50 and A/B/T51, the working group agreed this information would not be passed by an Investment Agent, Firm or TPA but would be provided by only the Fund.
   - Add a new Optional "SWIP (Systematic Withdrawal / Investment Plan) Indicator" field. This field would have the following values:
     - Blank = N/A, there is no systematic plan on the account
     - 1 = New
     - 2 = Modified
     - 3 = Closed
     - 4 = Existing
   - Add 4 new Optional/Conditional fields. These fields will NOT be allowed if the new "SWIP Indicator" is not provided (blank).
     - "Systematic trade changed To (new) amount" field. This field would be required if "SWIP Indicator" is populated with "1=New" or "2=Modified"
     - "Systematic trade changed From (old) amount" field. This field would be required if "SWIP Indicator" is populated with "2=Modified" or "3=Closed"
     - "Systematic trade changed To (new) Frequency" field with the following values:
       - Blank = N/A
       - 01 = 1 month per year
       - 02 = 2 months per year

- o 03 = 3 months per year
- o 04 = 4 months per year
- o 05 = 5 months per year
- o 06 = 6 months per year
- o 07 = 7 months per year
- o 08 = 8 months per year
- o 09 = 9 months per year
- o 10 = 10 months per year
- o 11 = 11 months per year
- o 12 = 12 months per year

This field would be required if "SWIP Indicator" is populated with "1=New" or "2=Modified"

This field must contain the frequency of the systematic plan. Values in this field correspond to the number of months (during the calendar year) the systematic trade is setup to contribute/withdraw. For example:
- Annual = "01"
- Semi-annual = "02"
- Quarterly = "04"
- Monthly = "12"
- Three months per year (for example: January, February and March) = "03", etc.

- "Systematic trade changed From (old) frequency" field with the following values:
  - o Blank = N/A
  - o 01 = 1 month per year
  - o 02 = 2 months per year
  - o 03 = 3 months per year
  - o 04 = 4 months per year
  - o 05 = 5 months per year
  - o 06 = 6 months per year
  - o 07 = 7 months per year
  - o 08 = 8 months per year
  - o 09 = 9 months per year
  - o 10 = 10 months per year
  - o 11 = 11 months per year
  - o 12 = 12 months per year

  This field would be required if "SWIP Indicator" is populated with "2=Modified" or "3"=Closed

To view examples on populating the new systematic trade fields, please refer to Appendix B.

3) **Add the following new fields to Retirement Plan Reporting (RPR) record layouts:**
   a. Add a new Optional "Contribution Amount Credit/Debit Indicator" field to RPR Header Record:
      - Blank = Credit
      - D = Debit

      This enhancement will allow clients to specify if the value provided in the existing "Contribution Amount for the Plan" field is positive (credit) or negative (debit). A negative could occur in the case of reversals.
   b. Add a new Optional "Distribution Amount Credit/Debit Indicator" field to RPR Header Record:
      - Blank = Debit
      - C = Credit

      This enhancement will allow clients to specify if the value provided in the existing "Distribution Amount for the Plan" field is positive (debit) or negative (credit).
   c. Add a new Required "Price" field to RPR Detail Record. This field will be used to communicate the price for each Security Issue ID in a particular plan. This will allow for communication of prices for registered as well as non-registered Security Issue IDs.

      The best practice recommendation is to populate this field with the price used to calculate the "Month End Assets for Security Issue ID" field.

4) **Documentation changes**
   - **Align DTCC Payment aXis field requirements to field descriptions.**
     The following fields are currently described and edited as Optional/Conditional; however they are classified as Optional in the "Optional/Conditional" column of the record layouts. This is a documentation change only to update these fields' classification from "Optional" to "Optional/Conditional" in the "Optional/Conditional" column of the record layouts.
       a. "Debit Reason Code" field (Header Record 30)
       b. "Settlement Indicator" field (Header Record 30)
       c. "Name Indicator" field (Detail Record 31 sequence 1)
       d. "Name Indicator" field (Detail Record 31 sequence 2)
       e. "Commission Rate" field (Detail Record 31 sequence 2)
       f. "Gross Amount of Trade/Total Security Assets" field (Detail Record 31 sequence 2)
       g. "Share Quantity of Trade" field (Detail Record 31 sequence 2)
       h. "Price per Share" field (Detail Record 31 sequence 2)
       i. "Trade Date" field (Detail Record 31 sequence 2)
       j. "Transaction Type" field (Detail Record 31 sequence 2)
   - **Clarify field descriptions on DTCC Payment aXis.**
     The following fields will be updated in the description section of the record layouts to clearly indicate the current NSCC editing rules to state that the values in these fields must match the values provided on the Header Record 30 and Header Record 15. There are NO system changes; this is a documentation change only.
       a. "System Code" field (Trailer Record 32)
       b. "Delivering Firm/Fund #" field (Trailer Record 32)
       c. "Security Issue ID" field (Trailer Record 32)
       d. "Debit/Credit Indicator" field (Trailer Record 32)
       e. "System Code" field (Grand Total Trailer Record 33)
       f. "Receiving Firm/Fund #" field (Grand Total Trailer Record 33)

g. "Delivering Firm/Fund #" field (Grand Total Trailer Record 33)

<u>TESTING</u>
Effective, **Monday, February 6, 2017**, 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.

<u>DOCUMENTATION</u>
Updated documentation will be available on DTCC's website as follows:

Record layouts, reject codes and Networking transaction codes will be available on or about **December 2, 2016** and can be found at:
http://www.dtcc.com/wealth-management-services/mutual-fund-services/fund-serv/product-client-center/gated-documents?gated=wms-section

Applicable User Guide and Best Practices updates will be available on or about **January 31, 2017** and can be found at: http://www.dtcc.com/wealth-management-services/mutual-fund-services/fund-serv/product-client-center/gated-documents?gated=wms-section

An email notification will be sent when revised documentation has been posted to our website.

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

Yana Granovskiy
Product Manager

DTCC Wealth Management Services

Appendix A

DTCC Payment aXis Commission and Fee Settlement

Below please find the summary of the proposed modifications.

1. New DTCC Payment aXis Header Record 15

This header record was created in response to the DoL Fiduciary Rule to allow firms to return payments to the original deliverer. Firms will utilize this Header record to return payments that are not permitted by their internal policies and procedures.

> **Notes:**
>
> 1) **This record can be submitted by Firms only. Firms will utilize this Header record to return payments to original deliverers.**
>
> 2) **Header Record 15 is NOT allowed when Header Record 30 is provided.**
>
> 3) **Firms utilizing this header record to return payments must adhere to the existing record structure by submitting the following set of records:**
>
> - **Header Record 15**
> - **Detail Record 31**
> - **Trailer Record 32**
> - **Grand Total Trailer Record 33**
>
> 4) **Detail Records 31 received in combination with a Header Record 30 or Header Record 15 where "Settlement Indicator" field is populated with "1=No Settlement" or "2=Test" will NOT be settled through DTCC Payment aXis.**

Input/Output

Mutual Fund DTCC Payment aXis Returned Payments Header Record

Field Name	Start	End	Len	Type	Description	Opt/ Req
System Code	**1**	**1**	**1**	**A/N**	**B = Delivering Firm** **This record can be submitted by Firms only.**	**R**
Record type	**2**	**3**	**2**	**N**	**15 = Header for Returned Payments**	**R**
Filler	**4**	**5**	**2**	**A/N**	**Space**	**R**
Receiving Firm /Fund Number	**6**	**9**	**4**	**N**	**Firms will utilize this Header record to return payments to the original deliverer**	**R**
Agent For Receiving Firm	**10**	**13**	**4**	**A/N**		**O**
Delivering Firm Number	**14**	**17**	**4**	**A/N**	**This record can be submitted by Firms only**	**R**

Mutual Fund DTCC Payment aXis Returned Payments Header Record

Field Name	Start	End	Len	Type	Description	Opt/ Req
Security Issue Country Code	18	19	2	A/N	Space	R
Security Issue Id	20	28	9	A/N	Can be registered or non-registered Security Issue ID **Best Practice:** **Best practice algorithm for internal client-created (non-registered) Security Issue IDs: NNNNXXXXX, where** • **NNNN – NSCC participant number of the record submitter** • **XXXXX – alpha/numeric sequence**	R
Security Issue Check Digit	29	29	1	A/N	Space	R
Fund/Firm Processing Date	30	37	8	N	mmddccyy **Best Practice:** **This field should be populated with the original processing date as provided on the original record that is being returned**	R
Commission Type	38	39	2	A/N	**01 = Front End** **02 = Basis Point** **03 = Re-Invested Dividend** **04 = CDSC Advance** **05 = Promotional** **06 = Finders Fee** **07 = 12b-1 Fee** **08 = Supplemental** **09 = Negotiated Commission** **10 = Pre-Paid Commission** **11 = Wrap Fee Commission** **12 = Finder Fee Wire Commission** **13 = Service Fee** **14 = Record-keeping Fee** **15 = Advisor Paid Fee** **16 = 401(K) Fee** **17 = Level Indirect Retirement Plan Compensation** **18 = Level Fee Based Retirement Plan Compensation** **Best Practice:** **This field should be populated with the same value (commission type) as the original payment that is being returned.**	R
Debit/Credit Indicator	40	40	1	N	2 = Credit **This record must be a Credit (return payment to the original payer)**	R
Filler	41	41	1	N	Space	R

Mutual Fund DTCC Payment aXis Returned Payments Header Record

Field Name	Start	End	Len	Type	Description	Opt/ Req
Settlement Indicator	42	42	1	A/N	' ' = Settlement 1 = No Settlement 2 = Test (Space or 1 required if Commission Type = 10) Space = Settlement	O
Record Date	43	50	8	N	mmddccyy (12B-1 funds)	O
Security Issue ID Indicator	51	51	1	A/N	• Blank (blanks will be used for all existing commission types, excluding Commission Types 17 and 18) • 1 = Internal client-created Security Issue ID • 2 = Registered Product-Level Security Issue ID This field is Required if "Commission Type" field = 17 or 18	OC
Filler	52	84	33	N	Space	R
Returned Payment Reason Code	85	86	2	A/N	01 = Commission Type / Social Code combination not allowed by firm 02 = Non Approved Provider	R
Reject Code # 1	87	88	2	A/N	Input: Filler - Space Output: Reject Code # 1	O
Reject Code # 2	89	90	2	A/N	Input: Filler - Space Output: Reject Code # 2	O
Reject Code # 3	91	92	2	A/N	Input: Filler - Space Output: Reject Code # 3	O
Reject Code # 4	93	94	2	A/N	Input: Filler - Space Output: Reject Code # 4	O
Reject Code # 5	95	96	2	A/N	Input: Filler - Space Output: Reject Code # 5	O
Reject Code # 6	97	98	2	A/N	Input: Filler - Space Output: Reject Code # 6	O
Reject Code # 7	99	100	2	A/N	Input: Filler - Space Output: Reject Code # 7	O

2. Modifications to DTCC Payment aXis

Field Name	Record Types Affected	Start	End	Type	Description	Opt/ Req
Security Issue Id	30	20	28	A/N	Can be registered or non-registered Security Issue ID **Best Practice:** **Best practice algorithm for internal client-created (non-registered) Security Issue IDs: NNNNXXXXX, where** • **NNNN = NSCC participant number of the record submitter** • **XXXXX = alpha/numeric sequence**	R

Field Name	Record Types Affected	Start	End	Type	Description	Opt/ Req
Commission Type	30	38	39	A/N	01 = Front End 02 = Basis Point 03 = Re-Invested Dividend 04 = CDSC Advance 05 = Promotional 06 = Finders Fee 07 = 12b-1 Fee 08 = Supplemental 09 = Negotiated Commission 10 = Pre-Paid Commission 11 = Wrap Fee Commission 12 = Finder Fee Wire Commission 13 = Service Fee 14 = Record-keeping Fee 15 = Advisor Paid Fee 16 = 401(K) Fee **17 = Level Indirect Retirement Plan Compensation** **18 = Level Fee Based Retirement Plan Compensation** **Best Practice:** **Commission Types 17 and 18 will be provided by record-keepers when communicating and remitting "levelized" compensation to firms.**	R
Debit Reason Code	30	41	41	N	Required If Debit/Credit Indicator = 1 1 = Adjustment Reclaim 2 = Commission Reclaim 3 = Statement of Intent Reclaim 4 = Trade Cancellation 5 = Other	~~O~~ **O/C**
Settlement Indicator	30	42	42	A/N	' ' = Settlement 1 = No Settlement 2 = Test (Space or 1 required if Commission Type = 10)	~~O~~ **O/C**
Security Issue ID Indicator	**30**	**51**	**51**	**A/N**	• **Blank** • **1 = Internal client-created Security Issue ID** • **2 = Registered Product-Level Security Issue ID** **Required if "Commission Type"=17 or 18**	**O/C**
Name Indicator	31 seq 1	72	72	A/N	Required if name is not blank; 'C' = Customer name ' 'R' = Representative name	~~O~~ **O/C**
Name Indicator	31 seq 2	5	5	A/N	Required if name is not blank; 'C' = Customer name 'R' = Representative name	~~O~~ **O/C**
Commission Rate	31 seq 2	21	25	N	9.9999 Required if Commission Type = 01, 02, 03 or 04	~~O~~ **O/C**
Gross Amount of Trade/Total	31 seq 2	26	41	N	99,999,999,999,999.99 Required if Commission Type = 01, 02, 03 or 04	~~O~~ **O/C**

Field Name	Record Types Affected	Start	End	Type	Description	Opt/ Req
Security Assets						
Share Quantity of Trade	31 seq 2	42	54	N	999,999,999.9999 Required if Commission Type = 01, 02, 03 or 04	~~O~~ **O/C**
Price per Share	31 seq 2	55	66	N	999,999.999999 Required if Commission Type = 01, 02, 03 or 04	~~O~~ **O/C**
Trade Date	31 seq 2	70	77	A/N	mmddccyy Required if Commission Type = 01, 02, 03 or 04	~~O~~ **O/C**
Transaction Type	31 seq 2	78	78	N/A	Required if "Commission Type" = 01, 02, 03 or 04 1 = Initial Purchase 2 = Subsequent Purchase 3 = Wrap Purchase 4 = 529 Purchase **5 = Systematic Investment Purchase**	~~O~~ **O/C**
Customer Account Indicator 2	**31 seq 3**	**26**	**26**	**A/N**	**1 = Dealer** **2 = Fund** **Required if "Customer Account 2" field is populated** **Best Practice:** • **"Customer Account Indicator 2" and "Customer Account 2" fields will be used in combination with the existing "Customer Account Indicator" and "Customer Account" fields. Clients should provide both the Dealer and Fund account numbers (if both accounts are available).** • **The value in this field should not be the same as the value in the "Customer Account Indicator" field.**	**O/C**
Customer Account 2	**31 seq 3**	**27**	**46**	**A/N**	**Required if "Customer Account Indicator 2" field is populated** **Customer Account (Dealer or Fund) as specified in the "Customer Account Indicator 2" field** **Best Practice:** **The value in this field should not be the same as the value in the "Customer Account" field.**	**O/C**
Debit/Credit Indicator	32	34	34	A/N	1 = Debit 2 = Credit **Value "1"=Debit is NOT allowed in combination with Header Record 15** **The value in this field Must be the same as the value on the Header record 30 or Header**	R

Field Name	Record Types Affected	Start	End	Type	Description	Opt/ Req
					record 15.	
System Code	33	1	1	A/N	The value in this field Must be the same as the value on the Header record 30 or Header record 15.	R
Receiving Firm / **Fund** #	33	6	9	A/N	The value in this field Must be the same as the value on the Header record 30 or Header record 15.	R
Delivering Firm/Fund #	33	10	13	A/N	The value in this field Must be the same as the value on the Header record 30 or Header record 15.	R

Networking

1. Modifications to Activity Record F55

Field Name	Record Affected	Start	End	Type	Description	Opt/ Req
Transaction Type	Seq 1	23	24	A/N	Add new "Transaction Description Codes" under "Transaction Type"="01-Direct Purchase": • AZ = Initial Purchase • A@ = Subsequent Purchase	Required
Account Representative ID	**Seq 6**	**65**	**73**	**A/N**	**Account Representative ID**	**O**
Branch Identification Number	**Seq 6**	**74**	**82**	**A/N**	**Branch ID Number**	**O**
Account Open Date	**Seq 6**	**83**	**90**	**A/N**	**mmddccyy** **Must be a valid calendar date** **Best Practice:** **Date of account establishment for the particular Security Issue ID. This is NOT the date of account funding.**	**O**

2. Modifications to Position Record F58

Field Name	Record Affected	Start	End	Type	Description	Opt/ Req
Account Representative ID	**Seq 2**	**4**	**12**	**A/N**	**Account Representative ID**	**O**
Account Representative Name	**Seq 2**	**13**	**27**	**A/N**	**Account Representative Name**	**O**

Field Name	Record Affected	Start	End	Type	Description	Opt/ Req
Branch Identification Number	Seq 2	28	36	A/N	Branch ID Number	O
Account Open Date	Seq 2	37	44	A/N	mmddccyy Must be a valid calendar date **Best Practice:** Date of account establishment for the particular Security Issue ID. This is NOT the date of account funding.	O

3. Modifications to Account Conversion / Update & Transfer Record F51

Field Name	Record Affected	Start	End	Type	Description	Opt/ Req
SWIP (Systematic Withdrawal/Investment Plan) Indicator	Seq 9	79	79	A/N	This field is Not allowed (must be blank) on records A/B/T50 and A/B/T51. Optional on F51. • Blank = N/A, no systematic plan on this account • 1 = New • 2 = Modified • 3 = Closed • 4 = Existing This field will be used to indicate the status of the systematic plan on the client's account (new, modified, closed or existing).	O
Systematic trade changed From (old) amount	Seq 12	43	58	N	A dollar amount to be invested or redeemed on a predetermined frequency during the course of the calendar year as requested by the client. Investment/Withdrawal frequency is defined in the "Systematic trade changed from (old) frequency" and "Systematic trade changed to (new) frequency" fields. For example, if the client is systematically investing $100 each month of the calendar year and subsequently changed to $200 each month of the calendar year, "Systematic trade changed to (new) amount" field should be populated with "200" ($200), while "Systematic trade changed from (old) amount" field should contain the value of "100" ($100). 99,999,999,999,999.99 This field is Not allowed (must be blank) on records A/B/T50 and A/B/T51.	O/C

Field Name	Record Affected	Start	End	Type	Description	Opt/ Req
					Required on record F51 if "SWIP Indicator" on F51 seq 9 is populated with "2=Modified" or "3=Closed". Zero value is not allowed when this field is Required.	
					Not allowed and must be Blank if "SWIP Indicator" on F51 seq 9 is Blank.	
					Best Practice:	
					• **This field should be blank when the "SWIP Indicator" field is populated with "1"=New**	
					• **When "SWIP Indicator" is "2"=Modified, this field must be populated with a value that was in effect prior to this change**	
					• **When "SWIP Indicator" is "3"=Closed, this field should be populated with the $ amount in effect prior to closing**	
					• **When "SWIP Indicator" is "4"=Existing, this field should be blank.**	
Systematic trade changed To (new) amount	**Seq 12**	**59**	**74**	**N**	**A dollar amount to be invested or redeemed on a predetermined frequency during the course of the calendar year as requested by the client. Investment/Withdrawal frequency is defined in the "Systematic trade changed from (old) frequency" and "Systematic trade changed to (new) frequency" fields. For example, if the client is systematically investing $100 each month of the calendar year and subsequently changed to $200 each month of the calendar year, "Systematic trade changed to (new) amount" field should be populated with "200" ($200), while "Systematic trade changed from (old) amount" field should contain the value of "100" ($100).** **99,999,999,999,999.99** **This field is Not allowed (must be blank) on records A/B/T50 and A/B/T51.** **Required on record F51 if "SWIP Indicator" field is populated with one of the following options:** • **"1" = New** • **"2" = Modified** **Zero value is not allowed when this field is Required.**	**O/C**

Field Name	Record Affected	Start	End	Type	Description	Opt/ Req
					Not allowed and must be Blank if "SWIP Indicator" on F51 seq 9 is Blank. **Best Practice** • When "SWIP Indicator" is "1"=New, this field must be populated with $ amount (greater than zero) • When "SWIP Indicator" is "2"=Modified, this field must be populated with the new $ amount (greater than zero) • When "SWIP Indicator" is populated with "3=Closed", this field should be blank. • When "SWIP Indicator" is "4"=Existing, this field should be populated as follows: If the F51 transaction provides an "update to existing account", this field should be blank. If the F51 transaction is a "Scrub file", this field should be populated with the client's systematic plan amount selection	
Systematic trade changed from (old) frequency	Seq 12	75	76	A/N	Frequency of a systematic investment/withdrawal during the course of the calendar year. For example, if the client has a systematic investment each month of the calendar year and subsequently changes this election to quarterly, "Systematic trade changed to (new) frequency" field should be populated with "04" (4 months = quarterly), while "Systematic trade changed from (old) frequency" field should contain the value of "12" (12 months = monthly). • Blank = N/A • 01 = 1 month per year • 02 = 2 months per year • 03 = 3 months per year • 04 = 4 months per year • 05 = 5 months per year • 06 = 6 months per year • 07 = 7 months per year • 08 = 8 months per year • 09 = 9 months per year • 10 = 10 months per year • 11 = 11 months per year • 12 = 12 months per year This field is Not allowed (must be blank) on records A/B/T50 and A/B/T51. Required on F51 if "SWIP Indicator" is	O/C

Field Name	Record Affected	Start	End	Type	Description	Opt/ Req
					populated with "2=Modified" or "3=Closed". Blank is not allowed when this field is Required. Not allowed and must be Blank if "SWIP Indicator" on F51 seq 9 is Blank. **Best Practice:** • This field should be blank when the "SWIP Indicator" field is populated with "1"=New • When "SWIP Indicator" is populated with "2"=Modified, this field must be populated with the value that was in effect prior to this change (01-12) • When "SWIP Indicator" is "3"=Closed, this field should be populated with the frequency that was in effect prior to closing (01-12) • When "SWIP Indicator" is "4"=Existing, this field should be blank.	
Systematic trade changed to (new) frequency	Seq 12	77	78	A/N	Frequency of a systematic investment/withdrawal during the course of the calendar year. For example, if the client has a systematic investment each month of the calendar year and subsequently changes this election to quarterly, "Systematic trade changed to (new) frequency" field should be populated with "04" (4 months = quarterly), while "Systematic trade changed from (old) frequency" field should contain the value of "12" (12 months = monthly). • Blank = N/A • 01 = 1 month per year • 02 = 2 months per year • 03 = 3 months per year • 04 = 4 months per year • 05 = 5 months per year • 06 = 6 months per year • 07 = 7 months per year • 08 = 8 months per year • 09 = 9 months per year • 10 = 10 months per year • 11 = 11 months per year • 12 = 12 months per year This field is Not allowed (must be blank) on records A/B/T50 and A/B/T51. Required on F51 if "SWIP Indicator" is populated with one of the following options:	O/C

Field Name	Record Affected	Start	End	Type	Description	Opt/ Req
					• "1" = New • "2" = Modified Blank is not allowed when this field is Required. Not allowed and must be Blank if "SWIP Indicator" on F51 seq 9 is Blank. <u>Best Practice:</u> • When "SWIP Indicator" is "1"=New, this field must be populated with a value of 01 - 12 • When "SWIP Indicator" is "2"=Modified, this field must be populated with a value of 01 – 12 • When "SWIP Indicator" is populated with "3=Closed", this field should be blank • When "SWIP Indicator" is "4"=Existing, this field should be populated as follows: If the F51 transaction provides an "update to existing account", this field should be blank. If the F51 transaction is a "Scrub file", this field should be populated with the client's systematic plan frequency selection	

4. Modify rules for Account Conversion / Update & Transfer Record F51 sequence 12

Sequence 12 will be required:

- when Payable Address Option in sequence #5 equals 8 or 9
- for System Code = F (Fund) when "SWIP Indicator" in Sequence # 9 equals 1, 2 or 3

Retirement Plan Reporting

Modifications to Retirement Plan Reporting Header Record 47 and Detail Record 48

Field Name	Record Affected	Start	End	Type	Description	Opt/ Req
Contribution Amount Credit/Debit Indicator	47 seq 2	225	225	A/N	Blank = Credit D = Debit This indicator specifies if the value provided in the "Contribution Amount for the Plan" field is positive (Credit) or negative (Debit)	O
Distribution Amount	47 seq 2	226	226	A/N	Blank = Debit C = Credit	O

Credit/Debit Indicator					**This indicator specifies if the value provided in the "Distribution Amount for the Plan" field is positive (Debit) or negative (Credit)**	
Price	**48**	**122**	**133**	**N**	**999,999.999999** **Price of the Security Issue ID** **Zeroes are NOT allowed** <u>**Best Practice:**</u> **This field should contain the price for the "Security Issue ID" (Detail Record 48 position 6-14). It should reference the price that was used to calculate "Month End Assets for Security Issue ID" field value (Detail Record 48, position 90-105) and should also reflect the price calculated on the last day of the reported period ("End date for Period" field – Header record 47, sequence 1 position 56-63).**	**R**

Appendix B

Communication of Systematic Trades via Account Conversion/Update & Transfer/Acknowledgement Record F51

The following scenarios are strictly for illustration purposes and are intended to provide guidance on the usage of the systematic trade fields. These are examples only and should not be considered a comprehensive list of all possible scenarios.

In order to indicate systematic investment vs systematic withdrawal, the following existing fields must be populated as follows:

Systematic Contributions
- Existing "Systematic Contribution Indicator" must be set to "1"=Yes
- Existing "SWP" Indicator must be set to "0"=No

Systematic Withdrawals:
- Existing "SWP" Indicator must be set to "1"=Yes
- Existing "Systematic Contribution Indicator" must be set to "0"=No

#	Scenario	Number of F51 transactions required to communicate the status of the systematic plan on the client's account	"SWIP Indicator" field	"Systematic Trade From (Old) Amount" field	"Systematic Trade To (New) Amount" field	"Systematic Trade From (Old) Frequency" field	"Systematic Trade To (New) Frequency" field	"Payment Date Indicators" field
Example 1								
1	New systematic plan. Invest $100 quarterly. Invest on the 1st of the month	Send one F51 transaction	1 = New		100		04 (quarterly)	01 (invest on the 1st of the month)
2	Modify scenario 1 to invest $100 monthly (change frequency). Invest on the 1st of the month	Send one F51 transaction	2 = Modify	100	100	04 (quarterly)	12 (monthly)	01 (invest on the 1st of the month)
3	Modify scenario 2 to invest $200 monthly (change dollar amount). Invest on the 1st of the month	Send one F51 transaction	2 = Modify	100	200	12 (monthly)	12 (monthly)	01 (invest on the 1st of the month)
4	Modify scenario 3 to invest $400 semiannually	Send one F51 transaction	2 = Modify	200	400	12 (monthly)	02 (semiannually)	01 (invest on the 1st of the month)

#	Scenario	Number of F51 transactions required to communicate the status of the systematic plan on the client's account	"SWIP Indicator" field	"Systematic Trade From (Old) Amount" field	"Systematic Trade To (New) Amount" field	"Systematic Trade From (Old) Frequency" field	"Systematic Trade To (New) Frequency" field	"Payment Date Indicators" field
	(change frequency and amount). Invest on the 1st of the month							
5	Modify client address, <u>no change to the existing</u> systematic plan from Scenario 4.	Send one F51 transaction (communicate the change of address)	4=Existing		400		02	~~01 (invest on the 1st of the month)~~
6	Modify scenario 4 to two systematic plans that will invest as follows: Plan 1 – Invest $100 on January 1st and February 1st. Plan 2 – Invest $300 on January 15th and February 15th	Send two F51 transactions: 1) Modify Scenario 4 to invest $100 on January 1st and Feb 1st 2) Setup a new plan - monthly payments on the 15th of the month for two months (January and February)	2 = Modify 1 = New	400	100 300	02 (2 months – January and February)	02 (2 months – January and February) 02 (2 months – January and February)	01 (invest on the 1st of the month) 15 (invest on 15th day of the month)
			Example 2					
1	Two new systematic plans (invest twice a month, three months per year). Plan 1: Invest $100 on January 2nd, February 2nd and March 2nd. Plan 2: Invest $200 on January 16th, February 16th and March 16th	Send two F51 transactions (one per each systematic plan)	1 = New 1 = New		100 200		03 (3 months - January, February, March) 03 (3 months - January, February, March)	02 (invest on the 2nd day of the month) 16 (invest on the 16th day of the month)
2	Modify scenario 1 Plan 1 – modify to invest $150 on January 2nd,	Send one F51 record to modify Plan 1 (January 2nd, February 2nd and March 2nd	2 = Modify	100	150	03 (3 months - January, February, March)	03 (3 months - January, February, March)	02 (invest on the 2nd day of the month)

#	Scenario	Number of F51 transactions required to communicate the status of the systematic plan on the client's account	"SWIP Indicator" field	"Systematic Trade From (Old) Amount" field	"Systematic Trade To (New) Amount" field	"Systematic Trade From (Old) Frequency" field	"Systematic Trade To (New) Frequency" field	"Payment Date Indicators" field
	February 2nd and March 2nd (change amount) Plan 2 – NO changes (continue to invest $200 on January16, February 16, March 16).	investments)						
3	Modify scenario 2 (modify both plans' frequencies from investing twice a month for 3 months to twice a month for 5 months per year) Plan 1 – modify to invest $150 on January 2, February 2, March 2, April 2, May 2.	Send two F51 transactions (one per each modified plan)	2 = Modify	150	150	03 (3 months - January, February, March)	05 (5 months - January, February, March, April, May	02 (invest on the 2nd day of the month)
	Plan 2 – modify to invest $200 on January 16, February 16, March 16, April 16, May 16.		2 = Modify	200	200	03 (3 months - January, February, March)	05 (5 months - January, February, March, April, May	16 (invest on the 16th day of the month)
4	Modify scenario 3 (change investments from twice a month for 5 months to once a month for 5 months). Invest $350 monthly – January, February, March, April, May. Invest on the 16th of the month	Send two F51 transactions 1) Close Plan 1 - $150 monthly investment on the 2nd of each month 2) Modify Plan 2 - $200 investment on the 16th of each month	3 = Close	150		05 (5 months - January, February, March, April, May		02 (invest on the 2nd day of the month)
			2 = Modify	200	350	05 (5 months - January, February, March, April, May	05 (5 months - January, February, March, April, May	16 (invest on the 16th day of the month)
5	Modify Scenario 4 to invest $350	Send one F51 transaction	2 = Modify	350	350	05 (5 months -	05 (5 months -	10 (invest on the 10th day

#	Scenario	Number of F51 transactions required to communicate the status of the systematic plan on the client's account	"SWIP Indicator" field	"Systematic Trade From (Old) Amount" field	"Systematic Trade To (New) Amount" field	"Systematic Trade From (Old) Frequency" field	"Systematic Trade To (New) Frequency" field	"Payment Date Indicators" field
	monthly – January, February, March , April on the 10th of the month. (modify investment day only)					January, February, March, April, May	January, February, March, April, May	of the month)
6	Scrub File: Communicate information about the existing plan (modified in Scenario 5) on the "Scrub" file	Send one F51 transaction	4=Existing		350		05 (5 months - January, February, March, April, May	10 (invest on the 10th day of the month)
7	Close the plan that was modified in Scenario 5.	Send one F51 transaction	3 = Close	350		05 (5 months - January, February, March, April, May		10 (invest on the 10th day of the month)
Example 3								
1	Three new systematic plans (invest three times a month, three months per year).	Send three F51 transactions (one per each systematic plan)						
	Plan 1: Invest $100 on January 2nd , February 2nd and March 2nd.		1 = New		100		03 (3 months - January, February, March)	01 (invest on the 2nd day of the month)
	Plan 2: Invest $200 on January 10th , February 10th and March 10th		1 = New		200		03 (3 months - January, February, March)	10 (invest on the 10th day of the month)
	Plan 3: Invest $300 on January 20th , February 20th and March 20th		1 = New		300		03 (3 months - January, February, March)	20 (invest on the 20th day of the month)