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Date:	February 26, 2019
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:	Mutual Fund Networking Enhancements – Account Conversion/ Update Records & Additional Cycle for 529 Aggregator File

Effective, **June 17, 2019**, National Securities Clearing Corporation (NSCC) will implement enhancements to the **Networking** service. Below is a summary of the enhancements included in this release. Details illustrating the specific enhancements are included in the attached Appendix. ***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:

- 1) Enhance the **Networking Account Conversion/Update (50/51) Records** to provide Firms with the necessary transparency on their clients' activity occurring directly at the Fund to facilitate reconciliation of books and records and know your customer requirements.
 - **Add a new optional/conditional “Account Open Date” field** to identify whether the activity is for a new account or existing account. This field will be **required** on the **F51** record.
 - **Rename** the ‘TPA/Investment Agent Number’ field to ‘**Trust/TPA/Investment Agent Number**’. This field will be utilized in combination with the ‘Membership Identifier’ field to inform Firms if an account is Trust Networked.
 - **Modify** the ‘**Trust/TPA/Investment Agent Number**’ field to be **required for F51** records when the ‘Membership Identifier field’ is populated with a value of ‘01’ (Trust Member Information only). This enhancement will require Funds to enter the Trust’s NSCC number in this field for Trust Networked accounts.
 - **Modify** the “**Account Type**” field on Record 51 from optional to **optional/conditional**. This field will be **required for F51** records to indicate whether the account is a Regular vs. Section 529 Plan Account.

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- Enhance the Beneficiary/Successor Owner fields to allow Funds to provide Firms with information on an additional account owner, such as joint tenant, on the **F51** record for Regular (vs. Section 529 Plan) accounts.
 - **Add a new ‘Additional Account Owner’ value** to the ‘Beneficiary/Successor Owner Address Option’ field
 - **Rename** the ‘Beneficiary/Successor Owner’ fields to read ‘Beneficiary/Successor Owner/**Additional Account Owner**’.
- **Modify** the owner and beneficiary fields on the **F51** record from optional to **optional/conditional**. These fields would be **required** on the **F51** record for Section 529 Accounts to provide Firms with the necessary owner and beneficiary information.

2) **Add an additional transmission cycle** for the Networking Omni/SERV 529 Aggregator (G) File. The additional cycle will reduce the risk of clients missing the current input cutoff time of 12:00pm ET due to high volume or other events, which results in manual processes when the deadline is missed.

TESTING

Effective, **Monday, May 20, 2019**, members can begin testing in the Participant Services Environment (PSE) region.

Members 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

Updated documentation will be available on DTCC’s website as follows:

Record layouts and Networking Reject Code list will be available on or about **April 1, 2019**. Applicable Best Practices updates will be available on or about **April 29, 2019**. An email notification will be sent when revised documentation has been posted.

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

John Saxenian
Product Manager

Product Management
DTCC Wealth Management Services

Appendix

A. Networking Account Conversion/Update (A/B/T50, A/B/T/F51) Enhancements (Mainframe & DTCC Web Portal Screens)

Account Conversion/Update (A/B/T50, A/B/T/F51) #9

1. Add a new optional/conditional field “Account Open Date” to identify whether the activity is for a new account or existing account.

- This field will be **required for F51** records, and optional for A/B/T50 and A/B/T51 records.
- Existing Networking Reject Code Q8 will be utilized for this field (see [Reject Codes - Item # 11](#))

Field Name	Start	End	Len	Type	Description	Opt/Req 50/51
Account Open Date	80	87	8	A/N	mmddccyy Must be a valid calendar date. Required for F51 (System Code = 'F'). <u>Best Practice:</u> Date of account establishment for the particular Security Issue ID. This is NOT the date of account funding.	O/OC

Account Conversion/Update (A/B/T50, A/B/T/F51) #5

2. Rename the ‘TPA/Investment Agent Number’ field to ‘Trust/TPA/Investment Agent Number’.

- This field will be utilized in combination with the ‘Membership Identifier’ field to inform Firms if an account is Trust Networked.

Field Name	Start	End	Len	Type	Description	Opt/Req 50/51
Trust/TPA/Investment Agent Number	60	63	4	A/N	Required if Membership Identifier = '02' or System Code = 'A' or 'T'.	OC/OC

3. **Modify** the ‘Trust/TPA/Investment Agent Number’ field logic to be **required for F51** records when the Membership Identifier field is populated with a value of ‘01’ (Trust Member Information only).

- Best practice is to populate the ‘Membership Identifier’ field with a ‘01’ (Trust Member Information only) when the account is Trust Networked and enter the Trust’s NSCC number in the ‘Trust/TPA/Investment Agent Number’ field.
- Existing Networking Reject Code G0 will be utilized for this field (see [Reject Codes - Item # 11](#))

Field Name	Start	End	Len	Type	Description	Opt/Req 50/51
Membership Identifier	58	59	2	A/N	01 = Trust Member information only 02 = Networking Information Required for TPA/Investment Agent. Best Practice: for F51 records, populate with ‘01’ for Trust Networked accounts and enter the Trust’s NSCC# in the ‘Trust/TPA/Investment Agent Number’ field.	O/O
Trust/TPA/Investment Agent Number	60	63	4	A/N	Required if Membership Identifier = ‘02’ or System Code = ‘A’ or ‘T’. Required for F51 (System Code = ‘F’) if Membership Identifier = ‘01’.	OC/OC

Account Conversion/Update (A/B/T50, A/B/T/F51) #1

4. **Modify** the “Account Type” field from optional to **optional/conditional** on the **F51** Record.

- This field will be **required for F51** records to indicate whether the account is a Regular vs. Section 529 Plan Account.
- This enhancement will require Funds to populate required fields if the Account Type = 1 (Section 529 Account).
- Applies to the F51 records only and will remain optional for the B51 record.
- Existing Networking Reject Code J4 will be utilized for this field (see [Reject Codes - Item # 11](#))

Field Name	Start	End	Len	Type	Description	Opt/Req 50/51
Account Type	88	88	1	A/N	0 = Regular Account 1 = Section 529 Account Required for F51 (System Code = ‘F’).	O/OC

Account Conversion/Update (A/B/T50, A/B/T/F51) #13

5. **Rename** the ‘Beneficiary/Successor Owner/Address Option’ fields to read ‘Beneficiary/Successor Owner/**Additional Account Owner**/Address Option’.
6. **Add a new value ‘E’** to the ‘Beneficiary/Successor Owner/Additional Account Owner/Address Option’ field
 - New value “E” is only allowed for Account Type = 0 (Regular Account)
 - Allows information to be provided for an additional account owner, such as joint tenant, on the F51 record for regular accounts (Account Type” = 0).

Field Name	Start	End	Len	Type	Description	Opt/Req 50/51
Beneficiary/Successor Owner/ Additional Account Owner /Address Option	10	10	1	A/N	A = Primary IRA Beneficiary B = Secondary IRA Beneficiary C = 529 Beneficiary D = 529 Successor Owner E = Additional Account Owner Required for A/B/T50. Required when ‘Number of Beneficiaries/ and/or Successor Owner or Additional Account Owner” field (seq. 4) is populated with a value of 01 or greater. For Account Type = 0 (Regular Account), value must = ‘A’, ‘B’, or ‘E’ . For Account Type = 1 (Section 529 Account), value must = ‘C’ or ‘D’.	R/O

7. **Update the sequence #13 logic requirement** to include **new value E** (Additional Account Owner).

For Regular Account (“Account Type” = 0):

- Sequences #13 through #16 are required if “Number of Beneficiaries/Successor Owner /**Additional Account Owner**” field is populated with a value of 01 or greater.
- The “Beneficiary/Successor Owner/**Additional Account Owner** Address Option” field must be populated with either ‘A’, B’, **or ‘E’**. No other values are allowed.

Account Conversion/Update (A/B/T50, A/B/T/F51) Sequence # 1, 4, 13, 14, 16

- 8. Rename Beneficiary/Successor Owner fields to read ‘Beneficiary/Successor Owner/Additional Account Owner’** (see modifications to applicable fields under item #9 below).
- Existing Beneficiary/Successor Owner reject code descriptions will be updated accordingly (see [Reject Codes - Item # 11](#))
- 9. Modify the following fields from optional to optional/conditional on the F51 record.**
- These **fields will be required** for the **F51 record** when the “**Account Type**” = **1 (Section 529 Account)**.
 - This enhancement applies to the F51 record only and remains optional on the A/B/T51 record.

Account Conversion/Update (A/B/T50, A/B/T/F51) #1

Field Name	Start	End	Len	Type	Description	Opt/Req 50/51
Account / Owner U.S. Citizenship Indicator	89	89	1	A/N	0 = U.S. citizen 1 = Not U.S. citizen Required for A/B/T50 and F51 (System Code = ‘F’) records when Account Type = 1 (Section 529 Account).	OC/OC
Owner Date of Birth	90	97	8	A/N	mmddccyy Required for A/B/T50 and F51 (System Code = ‘F’) records when Account Type = 1 (Section 529 Account).	OC/OC

Account Conversion/Update (A/B/T50, A/B/T/F51) #4

Field Name	Start	End	Len	Type	Description	Opt/Req 50/51
Account City	45	77	33	A/N	Required for A/B/T50 and F51 (System Code = ‘F’) records when Account Type = 1 (Section 529 Account).	R/OC
Account State	78	79	2	A/N	Required for A/B/T50 and F51 (System Code = ‘F’) records when Account Type = 1 (Section 529 Account).	R/OC

Field Name	Start	End	Len	Type	Description	Opt/Req 50/51
Number of Beneficiaries and/or Successor Owner or Additional Account Owner	80	81	2	N	Required for A/B/T50 and F51 (System Code = 'F') records when Account Type = 1 (Section 529 Account). If provided, valid values are 01-06. Zeroes are not allowed. Space means there are no Beneficiaries and/or Successor or Additional Account Owner .	OC/OC
Successor Owner Indicator	82	82	1	A/N	Required for A/B/T50 and F51 (System Code = 'F') records when Account Type = 1 (Section 529 Account). 0 = No 1 = Yes Not allowed otherwise	OC/OC

Account Conversion/Update (A/B/T50, A/B/T/F51) #13

Field Name	Start	End	Len	Type	Description	Opt/Req 50/51
Beneficiary/Successor Owner/ Additional Account Owner Address Option	10	10	1	A/N	A = Primary IRA Beneficiary B = Secondary IRA Beneficiary C = 529 Beneficiary D = 529 Successor Owner E = Additional Account Owner Required for A/B/T50. Required for F51 (System Code = 'F') records when Account Type = 1 (Section 529 Account). Required when "Number of Beneficiaries/ and/or Successor Owner or Additional Account Owner" field (seq. 4) is populated with a value of 01 or greater. For Account Type = 0 (Regular Account), value must = 'A', 'B' or 'E' . For Account Type = 1 (Section 529 Account), value must = 'C' or 'D'.	R/OC

Field Name	Start	End	Len	Type	Description	Opt/Req 50/51
Beneficiary/Successor Owner/ Additional Account Owner Date of Birth	11	18	8	N	mmddccyy Required for A/B/T50 Required for F51 (System Code = 'F') records when Account Type = 1 (Section 529 Account).	R/ OC
Beneficiary/Successor Owner/ Additional Account Owner U. S. Citizenship Indicator	19	19	1	A/N	0 = U.S. citizen 1 = Not U.S. citizen Required if Beneficiary/Successor Owner/ Additional Account Owner Address Option = 'C' or 'D' for: <ul style="list-style-type: none"> A/B/T50 records F51 records 	OC/ OC
Beneficiary/Successor Owner/ Additional Account Owner SSN/EIN Number	20	28	9	A/N	Required if Beneficiary/Successor Owner/ Additional Account Owner Address Option = 'C' or 'D' for: <ul style="list-style-type: none"> A/B/T50 records F51 records 	OC/ OC
Beneficiary/Successor Owner/ Additional Account Owner SSN/EIN Indicator	29	29	1	A/N	Required if Beneficiary/Successor Owner / Additional Account Owner SSN/EIN Number is provided 0 = Tax ID number 1 = Social security number	OC/ OC
Beneficiary/Successor Owner/ Additional Account Owner Name End Line Indicator	31	31	1	A/N	Required if Beneficiary/Successor Owner Name/ Additional Account Owner Address is provided 1-4 = Line number where name ends	OC/ OC
Beneficiary/Successor Owner / Additional Account Owner Zip Code	32	42	11	A/N	5 digit Zip Code + 4 digit Zip-Four + 2 digits for future postal expansion. Required for F51 records when Account Type = 1 (Section 529 Account).	O/ OC

Account Conversion/Update (A/B/T50, A/B/T/F51) #14

Field Name	Start	End	Len	Type	Description	Opt/Req 50/51
Beneficiary/ Successor Owner/ Additional Account Owner Name/Address Line #1	10	44	35	A/N	Required for A/B/T50 and F51 (System Code = 'F') records when Account Type = 1 (Section 529 Account).	R/ OC

Account Conversion/Update (A/B/T50, A/B/T/F51) #16

Field Name	Start	End	Len	Type	Description	Opt/Req 50/51
Beneficiary/ Successor Owner/ Additional Account Owner City	45	77	33	A/N	Required for F51 records when Account Type = 1 (Section 529 Account).	O/ OC
Beneficiary/ Successor Owner/ Additional Account Owner State	78	79	2	A/N	Required for F51 records when Account Type = 1 (Section 529 Account).	O/ OC

10. Modify Account Conversion/Update (A/B/T50, A/B/T/F51) **Sequences #4, #14, and #16** to be required for F51 records when Account Type = 1 (Section 529 Account).

11. Modify the following reject code descriptions to reflect the updated field names and logic.

Reject Code	Description
G0	Trust /TPA/Investment Agent Number Missing/Invalid
J4	Account Type is Missing /Invalid
K8	Number of Beneficiaries/Successor Owners/ Additional Account Owners is missing/invalid
L0	Beneficiary/Successor Owner/ Additional Account Owner Address Option is missing/invalid
L1	Beneficiary/Successor Owner/ Additional Account Owner Date of Birth is missing/invalid
L2	Beneficiary/Successor Owner/ Additional Account Owner U.S. Citizenship Indicator is missing/invalid
L3	Beneficiary/Successor Owner/ Additional Account Owner SSN/EIN Number is missing
L4	Beneficiary/Successor Owner/ Additional Account Owner SSN/EIN Indicator is invalid
L5	Beneficiary/Successor Owner/ Additional Account Owner Relationship Indicator is invalid
L6	Beneficiary/Successor Owner / Additional Account Owner Name End Line Indicator is missing/invalid
M0	Beneficiary/ Successor Owner/ Additional Account Owner Name/Address Line #1 is missing

Reject Code	Description
M3	Beneficiary/Successor Owner/ Additional Account Owner information does not correspond to Number of Bene/Succ/ Additional Account Owners
M5	Group of Sequence Records for Beneficiary/Successor Owner or Additional Account Owner is omitted
Q8	Account Open Date is Missing /Invalid

12. Add the following new reject codes to align with the new F51 field requirements.

Reject Code	Description
H0	Beneficiary/Successor Owner Zip Code missing for Section 529 Account
H1	Beneficiary/Successor Owner City or/and State missing for Section 529 Account

- Reject code 'H0' will be utilized for the 'Beneficiary/Successor Owner Zip Code' field.
- Reject code 'H1' will be utilized for 'Beneficiary/Successor Owner City' and 'Beneficiary/Successor Owner State' fields.

B. Add an additional cycle for the Networking Omni/SERV 529 Aggregator (G) File

- **Add** an additional production cycle for the Networking Omni/SERV 529 Aggregator (G) File. The PSE cycles will remain unchanged.

Networking Omni/SERV 529 Aggregation Files			Production Environment	
Input Received from Fund Aggregator (G) DataTrak SYSID: 26946			Output Sent to Firms/Funds (B/F), Fund Aggregator (G) AutoRoute File: 02101946	
From (Mon-Sat)	Until (Mon-Sat)	Extracted (Mon-Sat)	Send By (Mon-Sat)	Cycle Counter
06:00 AM	10:00 AM	10:15 AM	10:30 AM	1
10:00 AM	12:00 PM	12:15 PM	12:30 PM	2
12:00 PM	02:00 PM	02:15 PM	02:30 PM	3