



*Important Notice*  
**National Securities Clearing Corporation**

<b>A#:</b>	<b>8796</b>
<b>P&amp;S:</b>	<b>8369</b>
<b>Date:</b>	<b>January 8, 2020</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>Mutual Fund Networking Enhancements – Account Conversion/ Update/Transfer Records</b>

Effective **Monday, April 6, 2020**, 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 Update (B51) Record** to allow Firms to request a Fund be assigned as dealer of record on a direct-at-fund account.

*Currently, when a B51 is submitted to change the broker of record on an account, NSCC performs an edit against the masterfile to validate the NSCC number populated in the 'New/Contra Broker of Record' field represents a Firm. If the NSCC number represents a Fund, the transaction will reject.*

*This enhancement will allow Firms to resign as the broker of record on a direct-at-fund account and request the Fund (Fund's NSCC #) be assigned as the new broker of record.*

- 2) Enhance the **Networking Account Transfer/Acknowledgement (A/B/T52, F53) Record** to require the Credit Sub-Account Number and Debit Sub-Account Number fields for a mass broker to broker conversion (Transaction Type 4).

*Currently, providing the credit and debit sub-account numbers on a mass broker to broker conversion is a best practice. Requiring the credit and debit sub-account numbers will assist Firms in identifying the underlying customer account, reducing manual reconciliation of mutual fund positions.*

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## **TESTING**

Effective, **Monday, March 16, 2020**, members can begin testing in the Participant Services Environment (PSE) region.

Clients are encouraged to test and must contact their Relationship Manager before testing begins if access to the PSE region has not been previously established.

## **DOCUMENTATION**

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

Record layouts will be available on or about **March 16, 2020**. Applicable Best Practices updates will be available on or about **April 6, 2020**. 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

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Product Management  
DTCC Wealth Management Services

# Appendix

## A. Networking Account Update (B51) Enhancement (Mainframe & DTCC Web Portal Screens)

### 1. Modify the B51 Networking Record to allow a Firm to populate a Fund's NSCC Number in the 'New/Contra Broker of Record' field:

- A Fund's NSCC # will only be allowed in the 'New/Contra Broker of Record' field for a B51 record when both of the following conditions are met:
  - 'Network Control Indicator' value = 0 or 4; a value = 3 is not allowed
  - 'Change in Broker/Dealer Indicator' = 2 (Change From Broker/Dealer)

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

Field Name	Start	End	Len	Type	Description	Opt/Req 50/51
New/Contra Broker of Record	71	74	4	A/N	<p>Must be spaces if 'Network Control Indicator' is not zero and 'Change in Broker/Dealer Indicator' is not provided.</p> <p>When System Code = 'B':</p> <ul style="list-style-type: none"> <li>➤ Required if 'Change in Broker/Dealer Indicator' = 1 and Customer Account Number Indicator = 2.</li> <li>➤ Required if 'Change in Broker/Dealer Indicator' = 2.</li> </ul> <p><b>A Fund's NSCC # is only allowed for a B51 Record Type when:</b></p> <ul style="list-style-type: none"> <li>➤ <b>'Network Control Indicator' = 0 or 4, and 'Change in Broker/Dealer Indicator' = 2 (Change From Broker/Dealer).</b></li> </ul> <p>Otherwise it is not validated.</p>	OC/OC

## **B. Networking Account Transfer/Fund Acknowledgement (A/B/T52, F53)**

### **Enhancement**

(Mainframe & DTCC Web Portal Screens)

## **2. Modify A/B/T52 and F53 Sequence # 4 to be required for Transaction Type 4 (Mass Broker to Broker Conversion):**

### **Current Rules for A/B/T52, F53 – Account Transfer/Fund Acknowledgment Record, Seq. # 4**

Record A/B/T52 sequence #4 is Optional/Conditional. This record will be required if:

- Transaction Type = 8 (Non ACATS eligible transfer)
- Transaction Type = 9 (ACATS Mutual Fund Fail Cleanup)

Record F53 sequence #4 is Optional/Conditional. This record will be required if:

- Closing Balance (Debit Account) or Closing Balance (Credit Account) is NOT provided in F53 Seq #2
- Transaction Type = 8 (Non ACATS eligible transfer)
- Transaction Type = 9 (ACATS Mutual Fund Fail Cleanup)

Otherwise it is optional.

### **New Rules for A/B/T52, F53 – Account Transfer/Fund Acknowledgment Record, Seq. # 4**

Record A/B/T52 sequence #4 is Optional/Conditional. This record will be required if:

- **Transaction Type = 4 (Mass Broker to Broker Conversion)**
- Transaction Type = 8 (Non ACATS eligible transfer)
- Transaction Type = 9 (ACATS Mutual Fund Fail Cleanup)

Record F53 sequence #4 is Optional/Conditional. This record will be required if:

- Closing Balance (Debit Account) or Closing Balance (Credit Account) is NOT provided in F53 Seq #2
- **Transaction Type = 4 (Mass Broker to Broker Conversion)**
- Transaction Type = 8 (Non ACATS eligible transfer)
- Transaction Type = 9 (ACATS Mutual Fund Fail Cleanup)

Otherwise it is optional.

3. **Modify the Credit Sub-Account Number and Debit Sub-Account Number fields to be required for Transaction Type 4 (mass broker to broker conversion):**

**Networking Account Transfer/Fund Acknowledgement (A/B/T52, F53) Record, Seq. # 4**

Field Name	Start	End	Len	Type	Description	opt/Req 50/51
Credit Sub-Account Number	46	65	20	A/N	<p>Underlying Credit Customer Account Number</p> <p>Required for Transaction Types:</p> <p><b>4 = Mass Broker to Broker Conversion</b>  8 = Non ACAT eligible transfer  9 = ACAT Mutual Fund Fail Cleanup</p> <p>Best Practices for Transaction Types <b>4</b>, 8 &amp; 9:</p> <p>If the account is networked and the underlying sub-account number is not available, enter the Credit Account Number populated in seq. 1.</p>	OC/OC
Debit Sub-Account Number	66	85	20	A/N	<p>Underlying Debit Customer Account Number</p> <p>Required for Transaction Types:</p> <p><b>4 = Mass Broker to Broker Conversion</b>  8 = Non ACAT eligible transfer  9 = ACAT Mutual Fund Fail Cleanup</p> <p>Best Practices for Transaction Types <b>4</b>, 8 &amp; 9:</p> <p>If the account is networked and the underlying sub-account number is not available, enter the Debit Account Number populated in seq. 1.</p>	OC/OC