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Date:	August 6, 2020
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 Funds Networking Enhancements – Account Conversion/ Update/Transfer & 529 Aggregation Records

Effective **Monday, November 16, 2020**, National Securities Clearing Corporation (NSCC) will implement enhancements to the **Networking** service to facilitate automated processing and reduce manual efforts. 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 (A/B/T50, A/B/T/F51) Record** to modify specific 529 Successor Owner, 529 Beneficiary, and 529 Owner fields from **required to optional**. These enhancements will facilitate automated processing and reduce manual efforts in instances where the information currently required is not available.
- 2) Add an optional **‘Originating/Underlying Firm Number’** field to the **Omni/SERV 529 Aggregation (B/F11, G12) Record**. This field will provide the necessary transparency for plan sponsors and their aggregators to track and reconcile an account back to the underlying firm, when the firm is transacting through a Mutual Fund (MF) agent.

TESTING

Effective, **Friday, October 30, 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.

DTCC 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.

Non-Confidential

DOCUMENTATION

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

Record layouts will be available on or about **September 28, 2020**. Applicable Best Practices updates will be available on or about **October 26, 2020**. An email notification will be sent when revised documentation has been posted.

Questions and comments regarding this Important Notice may be directed to your DTCC Relationship Manager, or Wealth Management Services at **212-855-8877** or WMSconnect@dtcc.com.

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Product Management
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Appendix

A. Networking Account Conversion/Update (A/B/T50 and A/B/T/F 51) Enhancements (Mainframe & DTCC Web Portal Screens)

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

1. **A/B/T50 and F51** - Modify the ‘**Successor Owner Indicator**’ field from **optional/conditional to optional**. This field will become **optional** for all record types, but **only allowed** when Account Type =1 (Section 529 Account).

Field Name	Start	End	Len	Type	Current Description	New Description	Opt/Req 50/51
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	0 = No 1 = Yes Only allowed when Account Type = 1 (Section 529 Account).	0/0 0/0

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

2. Modify ‘Beneficiary/Successor Owner/Additional Account Owner Date of Birth’ field **to optional** under the following conditions when Sequence #13 is required.
 - **A/B/T50 record** - when ‘Beneficiary/Successor Owner/Additional Account Owner Address Option’ = C (529 Beneficiary) or D (529 Successor Owner).

Note: This field will still be **required** for the following address options when Sequence #13 is required:

- A = Primary IRA Beneficiary
 - B = Secondary IRA Beneficiary
 - E = Additional Account Owner
- **F51 record** - when Account Type = 1 (Section 529 Account).

Notes:

- This field will become optional for F51 records.
- This field remains optional for A/B/T51 records.

Field Name	Start	End	Len	Type	Current Description	New 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)	mmddccyy • Required for A/B/T50 when 'Beneficiary/Successor Owner/Additional Account Owner Address Option' = A = Primary IRA Beneficiary B = Secondary IRA Beneficiary E = Additional Account Owner Best Practice: provide Date of Birth if available.	R/OE OC/O

3. **A/B/T50 and F51 records** – Modify ‘Beneficiary/Successor Owner/Additional Account Owner U.S. Citizenship Indicator’ field **to optional** for Address Option D (529 Successor Owner) when Sequence #13 is required.

Notes:

- This field will **still be required** on the A/B/T50 and F51 records **for Address Option C** (529 Beneficiary).
- This field remains optional for A/B/T51 records.

Field Name	Start	End	Len	Type	Current Description	New Description	Opt/Req 50/51
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: • A/B/T50 records • F51 records	0 = U.S. citizen 1 = Not U.S. citizen Required for A/B/T50 and F51 records if 'Beneficiary/Successor Owner/Additional Account Owner Address Option' = C (529 Beneficiary) Best Practice: Provide Citizenship Indicator if available.	OC/OC

4. **A/B/T50 and F51 records** – Modify ‘Beneficiary/Successor Owner/Additional Account Owner SSN/EIN Number’ field **to optional** for Address Option D (529 Successor Owner) when Sequence # 13 is required.

Notes:

- This field will **still be required** on the A/B/T50 and F51 records **for Address Option C** (529 Beneficiary).
- This field remains optional for A/B/T51 records.

Field Name	Start	End	Len	Type	Current Description	New Description	Opt/Req 50/51
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’. <ul style="list-style-type: none"> • A/B/T50 records • F51 records 	Required for A/B/T50 and F51 records if ‘Beneficiary/ Successor Owner/ Additional Account Owner Address Option’ = C (529 Beneficiary) Best Practice: Provide SSN/EIN if available.	OC/OC

5. **F51 record** – Modify ‘Beneficiary/Successor Owner/Additional Account Owner Zip Code’ field **from required**, when Account Type = 1 (Section 529), **to optional** when Sequence #13 is required.

Field Name	Start	End	Len	Type	Current Description	New Description	Opt/Req 50/51
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).	5 digit Zip Code + 4 digit Zip-Four + 2 digits for future postal expansion. Best Practice: Provide Zip Code if available.	O/O O/O

6. **Sequence # 13** Optional/Conditional requirements will be modified to align with the new field requirements listed in item #s 2-5 above.

Current Rules for A/B/T50, A/B/T/F51 – Account Conversion/Update Record, Seq. # 13

- This record is required for Section 529 Account (“Account Type” = 1).
- For Section 529 (“Account Type” = 1):
 - 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.
 - At least one 529 Beneficiary (“Beneficiary/Successor Owner/Additional Account Owner Address Option” = ‘C’) is required.
 - If the “Successor Owner Indicator” = 1 and “Account Type” = 1, the “Beneficiary/Successor Owner/Additional Account Owner Address Option” must be populated with “D” (529 Successor Owner). Only one 529 Successor Owner is allowed.
- 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.

Otherwise it is optional.

New Rules for A/B/T50, A/B/T/F51 – Account Conversion/Update Record, Seq. # 13

This record is required if the ‘Number of Beneficiaries/ Successor Owner/Additional Account Owner’ field is populated with a value of 01 or greater.

- For Section 529 (“Account Type” = 1):
 - At least one 529 Beneficiary (“Beneficiary/Successor Owner/Additional Account Owner Address Option” = ‘C’) is required.
 - If the “Successor Owner Indicator” = 1 the “Beneficiary/Successor Owner/Additional Account Owner Address Option” must be populated with “D” (529 Successor Owner). Only one 529 Successor Owner is allowed.
- For Regular Account (“Account Type” = 0 or space):
 - The “Beneficiary/Successor Owner/ Additional Account Owner Address Option” field must be populated with either ‘A’, ‘B’ or ‘E’. No other values are allowed.

Otherwise it is optional.

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

7. **A/B/T50 and F51 records** – Modify ‘Beneficiary/Successor Owner/Additional Account Owner Name/Address Line #1’ field **from required** when ‘Account Type = 1’ (Section 529 Account) **to required** when ‘Beneficiary/Successor Owner/Additional Account Owner Address Option’ = C (529 Beneficiary)

- This field **will still be required** for ‘Beneficiary/Successor Owner/Additional Account Owner Address Option’ = C (529 Beneficiary).
- This field **will become optional** for ‘Beneficiary/Successor Owner/Additional Account Owner Address Option’ = D (529 Successor Owner).

Note: - This field remains optional for A/B/T51 records.

Field Name	Start	End	Len	Type	Current Description	New 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)	Required for A/B/T50 and F51 records if 'Beneficiary/Successor Owner/Additional Account Owner Address Option' = C (529 Beneficiary) Best Practice: Provide Name/Address if available.	R/OC OC/OC

8. **Sequence # 14** Optional/Conditional requirements will be modified to align with new ‘Beneficiary/Successor Owner/Additional Account Owner Name/Address Line #1’ field requirement in item # 7 above.

Current Rules for A/B/T50, A/B/T/F51 – Account Conversion/Update Record, Seq. # 14

This record is required for Section 529 Account (Account Type = 1) and Record Type equals 50 or F51.
Otherwise it is optional.

New Rules for A/B/T50, A/B/T/F51 – Account Conversion/Update Record, Seq. # 14

This record is required for A/B/T50 and F51 records if ‘Beneficiary/Successor Owner/Additional Account Owner Address Option’ = C (529 Beneficiary).
Otherwise it is optional.

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

9. **F51 record** – Modify ‘Beneficiary/Successor Owner/Additional Account Owner City’ field **from required** when Account Type = 1 (Section 529 Account) **to optional**.

Notes:

- This field will become optional for the F51 record.
- This field remains optional for A/B/T50 and A/B/T 51 records.

Field Name	Start	End	Len	Type	Current Description	New 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).	Best Practice: Provide City if available.	Ø/Ø€ O/O

10. **F51 record** – Modify ‘Beneficiary/Successor Owner/Additional Account Owner State’ field **from required** when Account Type = 1 (Section 529 Account) **to optional**.

Notes:

- This field will become optional for the F51 record.
- This field remains optional for A/B/T50 and A/B/T 51 records.

Field Name	Start	End	Len	Type	Current Description	New Description	Opt/Req 50/51
Beneficiary/Successor Owner/Additional Account Owner State	78	79	2	A/N	Required for F51 records when Account Type = 1 (Section 529 Account).	Best Practice: Provide State if available.	Ø/Ø€ O/O

Note: Since the ‘Beneficiary/ Successor Owner/Additional Account Owner’ City and State fields will become optional for all record types, **Seq. # 16 will become an optional sequence.**

11. Modify **Sequence # 16** from **Optional/Conditional** to **Optional**:

Current Rules for A/B/T50, A/B/T/F51 – Account Conversion/Update Record, Seq. # 16

Record A/B/T50, A/B/T/F51 sequence #16 is Optional/Conditional.
 This record is required for Section 529 Account (Account Type = 1) and Record Type = F51.
 Otherwise it is optional.

New Rules for A/B/T50, A/B/T/F51 – Account Conversion/Update Record, Seq. # 16

Record A/B/T50, A/B/T/F51 sequence #16 is an Optional Record.

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

12. A/B/T50 and F51 records – Modify ‘Owner Date of Birth’ field **from required** when Account Type = 1 (Section 529 Account) **to optional**.

Field Name	Start	End	Len	Type	Current Description	New Description	Opt/Req 50/51
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)	mmddccyy Best Practice: Provide Date of Birth if available.	0/0 0/0

Notes:

- This field will become optional for the A/B/T50 and F51 records.
- This field remains optional for the A/B/T 51 records.

Reject Codes

13. The following reject codes will be eliminated since the respective fields will become optional.

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

14. The following reject code descriptions will be modified since the respective fields will become optional.

Current Description

Reject Code	Description
K9	Successor Owner Indicator is missing/invalid
K4	Owner Date of Birth is missing/invalid

New Description

Reject Code	Description
K9	Successor Owner Indicator is invalid
K4	Owner Date of Birth is invalid

Record Layout - Documentation Update Only

15. The following field description will be updated to reflect current record requirements. This is a **documentation change only**.

Account Conversion/Update (A/B/T50, A/B/T/F51) #01

Field Name	Start	End	Len	Type	Current Description	New Description	Opt/Req 50/51
Account Line Indicator	66	66	1	A/N	1 = Account Name Ends on Line #1 2 = Account Name Ends on Line #2 3 = Account Name Ends on Line #3 4 = Account Name Ends on Line #4 Required for Record Type 51 when any Account Name/Address Line #1, #2, #3, #4, #5, or #6 are provided.	1 = Account Name Ends on Line #1 2 = Account Name Ends on Line #2 3 = Account Name Ends on Line #3 4 = Account Name Ends on Line #4 Required for Record Type 50. Required for Record Type 51 when any Account Name/Address Line #1, #2, #3, #4, #5, or #6 are provided.	R/OC

B. Networking Omni/SERV 529 Aggregation Enhancements
(Mainframe Only)

Omni/SERV 529 Aggregation B/F11 and G12 Records

16. Add 'Originating/Underlying Firm Number' as an optional field to the **Networking Omni/SERV 529 Aggregation B/F11 and G12** Records.

- This field will allow plan sponsors and aggregators to track and reconcile an account back to the underlying dealer for firms transacting through an MF agent.
- If populated, must be a valid NSCC ID. Existing reject code 'U5 – Originating/Underlying Firm Number is invalid' will be utilized in the event an invalid NSCC ID number is populated in this field.

B/F11—529 Aggregation Account Level Detail Record

Field Name	Start	End	Len	Type	Description	Opt/Req	Reject Code
Originating/ Underlying Firm Number	426	429	4	A/N	Originating Firm Number. (The underlying firm’s NSCC ID number, for firms transacting through an MF Agent). If provided, must be a valid NSCC Participant Number.	O	U5

G12 – 529 Aggregated Detail Record

Field Name	Start	End	Len	Type	Description	Opt/Req	Reject Code
Originating/ Underlying Firm Number	387	390	4	A/N	Originating Firm Number. (The underlying firm’s NSCC ID number, for firms transacting through an MF Agent). If provided, must be a valid NSCC Participant Number.	O	U5