



<b>B #:</b>	13910-20
<b>Date:</b>	September 18, 2020
<b>To:</b>	Participants and Agents
<b>Category:</b>	Securities Processing Service Update
<b>From:</b>	Asset Services Product Management
<b>Attention:</b>	Officers / Operations Managers / Business Continuity Managers / Disaster Recovery
<b>Subject:</b>	DTC Physical Securities Processing - Update

**Please note the following updates:**

**COVID-19 LOI PROTOCOLS**

Effective September 21, 2020, DTC will cease using the COVID-19 Letter of Indemnity (“LOI”) protocols for the Custody Reorganizations and Restricted Deposit services (previously communicated in Important Notice B#13352-20). Participants should resume processing these Custody Service transactions via PBS or file transmission. In addition, as previously communicated, DTC had ceased using the COVID-19 LOI protocols for Cede & Co. corporate actions and maturity/redemption presentments on August 17<sup>th</sup>, 2020.

**LIMITED ON-SITE PERSONNEL**

Due to ongoing concerns related to COVID-19, DTC physical securities processing continues to operate with limited on-site staff. DTC reminds Participants to anticipate elongated processing timeframes and possible service delays. Please also note that, due to the limited staff, DTC is unable to conduct custody service audits within its typical annual timeframe, and, at this time, cannot estimate when it will be able to complete the audits. In addition, please note that onsite client audits will have to be delayed until further notice.

**UNDERWRITING CLOSINGS**

On June 9th, 2020, DTCC issued Important Notice B#13515-20 instructing Underwriters to deliver all outstanding physical certificates for Non-Fast issuances that were previously closed with a Letter of Securities Possession (LOP). Please be advised that, **effective October 19<sup>th</sup>, 2020**, any outstanding LOP (other than an LOP for matured securities) will be assessed the standard Letter of Possession fee, as stated in the 2020 DTC Fee Schedule and DTC may charge the settlement account of the Crediting Participant 130% of the current market value of the securities in accordance with the terms of the LOP. Important Notice B#13515T also announced the resumption of the normal closing process for non-FAST new issuances, effective June 24th, 2020. Pursuant to DTC’s Operational Arrangements, physical certificates must be delivered to DTC by 12pm EST the day prior to closing to ensure a timely closing. If a Certificate has not been delivered by the end of day prior to closing, DTC, in its sole and absolute discretion, may accept an LOP. Please be advised that, **effective October 19th, 2020**, any issuance closing with an LOP will also be assessed the standard Letter of Possession Fee and DTC may charge the settlement account of the Crediting Participant 130% of the current market value of the securities.

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](http://www.dtcc.com/subscription_form.php).

DTC would like to thank Participants, agents, and other stakeholders for their continued cooperation. DTC continues to monitor the situation and provide Participants and agents with up-to-date information about the status of the physical securities processing services.

If you have any questions, please call your relationship manager or send an email to [RMsupport@dtcc.com](mailto:RMsupport@dtcc.com).