

<b>B #:</b>	14734-21
<b>Date:</b>	February 25, 2021
<b>To:</b>	All DTC BMA Agents
<b>Category:</b>	Corporate Actions Service Updates
<b>From:</b>	DTC Asset Services Product Management Team
<b>Attention:</b>	Operations Managers/Technology Managers
<b>Subject:</b>	Change to DTC BMA5 File Processing in Relation to Principal Distribution Type – Effective April 2 <sup>nd</sup> 2021

DTC will be implementing changes to the processing of BMA5 files on April 2<sup>nd</sup>, 2021. This notice is intended for paying agents who are currently sending BMA5 files to DTCC. BMA5 files are used by paying agents to provide income rate and announcement information to DTC to facilitate principal and income payment processing. The change DTC is implementing is to bring processing in alignment with what is documented in the BMA5 user guide and will not require agents to make any changes – if the agent is adhering to the rules of the BMA5 User Guide.

It was identified that DTC’s handling of the Principal Distribution Type (field 44) of the BMA5 file was not consistent with what is detailed in the user guide. The current and future state are detailed below:

- Current: For BMA5 file records with a value of “3” (Pass-through) in the Principal Distribution Type field and an Ending Balance Factor (EBF) of 0 (indicating no remaining principal value), DTC will announce and process a final principal payment – resulting in removal of client positions. Regardless of the EBF, a value of “3” does not specifically state that the payment is final and there have been instances where agents have had to request positions to be reinstated when attempting to make future distributions. All other values are treated consistent with the processing described in the user guide.
- Future: When the Principal Distribution Type value is “3”, DTC will no longer treat the payment as a final payment and remove position – regardless of the EBF. Positions will remain in the security until a final payment is received (indicated by a value of “4”) or a Null Void and Worthless letter is received.

There is no change to the file layout and agents are only required to make a change if their current BMA5 files do not adhere to the rules detailed in the BMA5 user guide in relation to Principal Distribution Type (field 44).

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*\* Please Note – when using a value of “4” (Final), the EBF must be 0. Indicating a payment is Final and leaving a remaining factor/principal value is an illogical combination and will result in exception processing and possible delays.*

The BMA5 file format is available under the Agent Services tab of Settlement and Asset Service from DTCC.com, <https://www.dtcc.com/settlement-and-asset-services/ccf-agent-files>.