



Important Notice
Fixed Income Clearing Corporation - MBSD

MBS #:	MBS1362-24
Date:	September 9, 2024
To:	All Members
Category:	Service Update
From:	Product Management
Attention:	Director of Operations/Treasury Department/Cashier
Subject:	DTCC Fedwire Funds Mandatory ISO20022 Testing

As communicated via the Federal Register, the Board of Governors of the Federal Reserve System announced that the Federal Reserve Banks (FRBs) will adopt the ISO20022 message format for the Fedwire Funds Service beginning March 10, 2025, and will retire the legacy Fedwire Application Interface Manual (FAIM) message format.

As part of this effort, the Federal Reserve has enabled the Depository Institution Testing 2 (DIT2) environment specifically for ISO20022 testing with member banks.

Intraday funds processing at DTCC is critical to the security of the post-trade clearance and settlement of securities transactions. To ensure that necessary funds processing continues unobstructed through the March 10, 2025 conversion, DTCC is **requiring** clients to engage their payment banks to successfully send test wire payments to DTCC in the DIT2 environment.

Testing Plan

To ensure clients can successfully test, DTCC has created the testing plan outlined below:

- **Testing timeline:** DTCC testing window will open on November 2nd, 2024¹. Clients have until December 31st, 2024 to successfully test all applicable wire types and provide testing validation to DTCC as outlined in the Testing validation section below.
- **Wire types required for testing:** DTCC is requiring that clients test wire types applicable to their firm. The list of in-scope wire types are below:
 - Settlement Progress Payments for DTC (one per DTC Collateral Group)
 - Margin Wires for GSD, MBSD and NSCC (one per account)
 - Supplemental Liquidity Deposits to NSCC (one per account)
- **Testing environment:** To facilitate testing, DTCC will connect the Settlement Web (U) and the PSE-Clearing Fund Management (CFM) application to the Fed's DIT2 during the aforementioned testing window. These applications can be accessed via your firm's existing capabilities:
 - Settlement Web (U) <https://portalmf-uat.dtcc.net/>
 - PSE-Clearing Fund Management (CFM) <https://portalu.dtcc.com>
- **Wire instructions:** Clients should ensure that their payment banks use the same instructions when testing in DIT2 that are used in production. Note that DTCC has recently updated guidance on wire processing across subsidiaries via important notices:
 - **DTC:** <https://www.dtcc.com/-/media/Files/pdf/2024/8/19/20631-24.pdf>

¹ Note that the DIT2 environment will be closed on the First business day and third Wednesday of every month, as well as on all federal holidays.

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- **NSCC:** <https://www.dtcc.com/-/media/Files/pdf/2024/8/19/a9477.pdf>
- **GSD:** <https://www.dtcc.com/-/media/Files/pdf/2024/8/19/GOV1756-24.pdf>
- **MBSD:** <https://www.dtcc.com/-/media/Files/pdf/2024/8/19/MBS1357-24.pdf>

To ensure straight through processing and successful testing, clients should ensure that their bank has aligned to the changes outlined in the notices above.

- **Testing validation:** To confirm that clients have successfully tested, DTCC requires clients provide evidence of a successful test. Once their bank has successfully submitted the wire to DTCC, clients should log in to the appropriate user interface, take a screenshot and email it to FedwireTesting@dtcc.com and **ensure their contact details are included.**

Clients must provide testing evidence for the applicable user interface(s) as outlined below:

- **Settlement Progress Payments:** Clients should take a screenshot of the Settlement Web (U)'s Activity Inquiry screen. See Appendix 1 for an example.
- **Margin Wires:** Clients should take a screenshot of the PSE -Clearing Fund Management (CFM) Account Overview page. See Appendix 2 for an example.
- **Supplemental Liquidity Deposits:** When wires are sent, clients should send an email to FedwireTesting@dtcc.com, informing DTCC that the wire has been sent so that DTCC can validate on their behalf, including the amount of the wire and the corresponding account at NSCC.
- **Systems access:** To access the testing application, clients should contact their DTCC Super Access Coordinator to ensure they have the appropriate role. For the Settlement Web (U), users need:
 - Any of the Core Roles (1-8)
 - The account tag for the account that is receiving the Settlement Progress Payment.
 For PSE-Clearing Fund Management, users should ensure that they have the appropriate roles:
 - NSCC access requires the CFMM NSCC Inquiry role
 - GSD access requires the CFMM GSD Inquiry role
 - MBSD access requires the CFMM MBSD Inquiry role

Questions about this important notice should be directed to your DTCC Relationship Manager.

Appendix 1:

DTCC | Settlement Services

TEST/PSE | Welcome testuser@client.com | [Log Out](#) | [Change Password](#)

Home | Activity | Position | Cash and Balances | Transaction Submission | Commands | Profiles | Help | PBS Links | Sep 4, 2024 - 10:35:07 AM EDT

Settlement Activity for FTS IPA #1

[Home](#) > Settlement Activity Print

Activity Inquiry
Collateral Group Inquiry
Pledge Inquiry
Intra-day Short Inquiry
Search by CUSIP

Part ID *
1250

CUSIP

Business Date *
09/04/2024

Contra

Activity
12

Amount (> or =)

Status
Made&Pend

Del/Rec/All
All

Activity Type
ATP

Sub Activity

Free/Valued
All

Third Party

Reason Code

Transaction ID
 -

MA/NA

Reclaims

Search
Reset
Save Query/Report
Display Type: Quick Search Data Grid Excel

Activity Search Results as of 10:35:07

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Action	Transaction Id	Time	Activity	Reason	Contra	CUSIP	Quantity	Amount	Source	Status
	000089-F6	10:19	SPP	0	0	000000000	0	\$5,000,000.50	FFIC	Made

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Appendix 2:

Account Overview - NSCC

Account 8605 | CFM TST BROKER

Last Updated on: Wednesday, September 4, 2024 12:02:32 PM [America/New_York] 

Activity Summary				Excess/(Deficit) Summary					
	Face Value (\$)		Collateral Value (\$)						
Total Clearing Fund Deposit (SOD)		1.00		1.00					
Amount Deposited/Withdrawn		10.00		10.00	No Data Available				
New Clearing Fund Deposit		11.00		11.00					
Requirement Overview									
Requirement (\$)	CNS Totals (\$)	Deposit (\$)	Excess/(Deficit) (\$)	Requirement Status					
				No Data Available					
Parameter Break									
Total (Deficit) (\$)	Cash (Deficit) (\$)	Cash & Eligible CF Securities (Deficit) (\$)	Payment Due Time (HH:MM:SS)	Payment Due Countdown (HH:MM:SS)	Total Requirement (\$)	Total Deposit at Time of Issuance (\$)	Margin Requirement		
							No Data Available		
Current Day Activity									
Account ID	Account Name	Pending	Completed						
8605	CFM TST BROKER	> 0	v 1						
Transaction Type	Activity Type	Asset Type	Security Type	Asset ID	Face Value (\$)	Market Value (\$)	Collateral Value (\$)	Payment Type	Status
Deposit		Cash	NA	N/A	10.00	10.00	10.00	N/A	Approved