



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

<b>A #:</b>	9574
<b>P&amp;S:</b>	9147
<b>Date:</b>	MARCH 25, 2025
<b>To:</b>	ALL ACATS USERS
<b>Category:</b>	CLEARING SERVICES - EQUITIES
<b>From:</b>	DTCC PRODUCT MANAGEMENT
<b>Attention:</b>	DIRECTOR OF OPERATIONS, ACCOUNT TRANSFERS DEPARTMENT, SETTLEMENT DEPARTMENT, MUTUAL FUND OPERATIONS
<b>Subject:</b>	ACATS SETTLE PREP REMOVAL / MUTUAL FUND DAY 2 ACKNOWLEDGEMENT REMOVAL – REQUIREMENTS & PRODUCTION DATE CHANGE

This is a follow-up to Important Notice [a9463](#) (dated 7/31/24) announcing new enhancements to the Automated Customer Account Transfer Service (ACATS). Enhancements will include: 1) the removal of Settle Prep (status 300), and 2) the removal of the ACATS Fund/SERV Day 2 acknowledgement. The notice includes additional details on requirements and a new production date (from August 29, 2025 to October 17, 2025).

## **1. Settle Prep (Status 300) Removal**

Subject to regulatory rule (NSCC Rule 50) approval, ACATS will remove the current Settle Prep Day (status 300) from all full transfers and non-standard transfers that contain mutual fund and/or option assets. Currently, it takes up to five business days (or four business days with acceleration) for a standard (Full) ACATS transfer to complete. During this 5-day period, an investor's assets will remain invested in the market, however trading may be restricted. The inability to trade can expose the investor to additional market risks. With the recent move to T+1 in May 2024, an expedited settlement process has provided new opportunity to remove both the Settle Prep Day and Mutual Fund Pend Day 2 acknowledgement from the ACATS transfer cycle further shortening the time it takes to complete an account transfer.

With the implementation of T+1, concerns regarding insufficient timing to process CNS exemptions for the DTC night cycle have been addressed (see Appendix A). Certain activities previously done during Settle Prep can now be done the day before settlement within the final review day.

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## **Settle Prep Removal Firm Changes:**

1. 300-Settle Prep Status will no longer apply for any Standard/Full Transfer and non-standard transfers containing mutual funds (settling location 10) and/or options (settling location 35).
  - a. No change to non-standard transfers that do not contain mutual funds or options. These transfers already do not have a 300-Settle Prep status.
    - i. Non-Standards that currently have settle prep status with mutual funds and/or options include Partial Transfers Deliverer (PTD), Partial Transfers Receiver (PTR), and Residual Credit (RCR-for mutual funds).
2. ACATS will age from the following intra-day review statuses directly to 310-Settle Close:
  - a. 200 – Review Status
  - b. 210 – Review Adjust Deliverer Status
  - c. 230 – Review Accelerate Status
  - d. 240 – Review Adjust Receiver Accelerate Status
3. For options, the Options Clearing Corporation (OCC) will receive options assets from ACATS when transfer ages to 310-Settle Close. It currently receives the assets when the transfer ages to 300-Settle Prep. This should not affect the settlement of options at the OCC since they generally settle next day.
  - a. Options currently include a settle prep status for FUL, PTR and PTD transfer types.
4. Mutual Fund Registrations (FR records/messages) can be sent any time before the transfer reaches 310-Settle Close.
5. Insurance Registrations (IR records) can be sent any time before the transfer reaches 310-Settle Close.
6. For PTF transfers, settle prep is not a valid status. The Transfer will age from Review to Settle Close once the fund company acknowledges the fund registration. PTF settlement day will be next day (no longer a 2-day settlement)
  - a. For Positions and Settlement end of day reporting, PTF's appear on Review Day and only include a settlement timing field of next day or 1.
7. End of Day Positions and Settlement output will show next day settling date assets only.
  - a. All Transfers that were aged to Settle Close (310 status) end of day today (Number of Days in Status is equal to 1) will appear in the S (Settlement) output with the Settlement Date of the next business day.
  - b. P (Position) output will show transfers in Settle Close (310 status), as it is done today. Transfers that are currently shown in the Position report in Settle Prep (300 status) and next day in Settle Close (310 status) will now appear in Settle Close (310 status) only.
  - c. No changes are expected in Multi-Cycle (M) file and report since Settle Prep and Settle Close status do not occur intra-day.
8. Settlement Timing field on Positions and Settlement will include:
  - a. 1 or next day settlement

- b. Value 2 – second day settlement will no longer occur. This will not be possible since 310 cannot have day 2 settlement date. If next day is bank holiday, transfer will not age to 310 but will stay in review for one extra day.
- 9. Settlement Codes
  - a. 006 will no longer contain any settlement activity
  - b. 007 (mutual fund incentives) will continue to be utilized under one day settling mutual fund activity
  - c. 008 will continue to be used for cash and incentive charge next day settling activity
- 10. Bank Processing – The day before a bank holiday, the ACAT will remain in Review and not progress to Settle Close.
- 11. Default Registration will be created when transfer ages to 310-Settle Close or continue to be created for PTF when the status reaches 200-Review status.
- 12. Reversals will be modified for no 300-Settle Prep
  - a. Reversals occur for any transfer reaching 310-Settle close
  - b. ACATS will reject any transfer with a status earlier than 310-Settle Close
  - c. Settlement timing field will include:
    - i. 0 = Same Day indicates an ACATS reversal for a defaulting member for a transfer that is in 310–Settle Close status at the time of the reversal.
    - 1. 1 = next day will no longer apply with the elimination of Settle-Prep.

## **2. ACATS Fund/SERV Day 2 Acknowledgement Removal**

To enable mutual funds to be included in the new shortened ACATS cycle (Settle Prep removal), the ACATS Fund/SERV pending acknowledgement process (Day 2) will no longer be available. All mutual fund acknowledgements (Fund/SERV Transfer acknowledgement 019 record) sent by fund companies/transfers agents will be required to occur on Day 1 (next business day after receipt of the fund registration). Keeping a Day 2 acknowledgement with the removal of Settle Prep would create a settlement misalignment. A day two acknowledgement without Settle Prep would be sent the day after settlement is complete which would be too late to apply the incentive charge credit that offsets the original incentive charge when a Fund/SERV acknowledgement occurs.

### **Firm Changes:**

1. Firms will no longer receive a pending reminder status on the Fund/SERV statistics report. Fund/SERV statistics reports will either be acknowledged, rejected or system purged on the next business day following fund registration submission. The system purge status is when a fund does not acknowledge or reject a fund registration by 11:00 AM ET on next business day following the receipt of the fund registration.
2. Firms will continue to receive the Fund/SERV statistics report at approximately 11:30 AM ET each day.
3. Receive and Deliverer Instructions will continue to be sent for any failed or system purged asset.

4. Federal Funds Settlement (FFS) Code 007 will continue to be used for Fund/SERV cash settlement of incentive charges.

### **Fund Company Changes:**

1. Fund Companies will be required to respond next business day following the receipt of the fund registration by 11:00 AM ET. If the fund does not respond by this time, then Fund/SERV will delete the transfer request. Any acknowledgement submitted after 11:00 AM ET on day 1 (day after receipt of fund registration/018 record) would be rejected.
2. Fund Companies will no longer receive a Fund/SERV 080 record which is currently sent to the Fund if a day 1 acknowledgement or reject is not sent at the deadline.

See ACATS Fund/SERV User Guide at [dtcclearning.com](https://dtcclearning.com) for more information on the ACATS Fund/SERV process.

### **Targeted Release Dates:**

#### **ACATS**

- PSE/Test – Friday, July 25, 2025
- Production – Friday, October 17, 2025

These dates are the first day in which a transfer will not stage to 300-settle prep status at the end of the day. This would be the last day you can receive a pending status or day 2 acknowledgement on the Fund/SERV statistics report.

#### **Fund/SERV (applies to Fund Companies/Transfer Agents only):**

- PSE/Test – Monday, July 28, 2025
- Production – Monday, October 20, 2025

These dates are the first day in which funds would not receive an 080 reminder record or be permitted to send a day 2 acknowledgement. Any day 2 acknowledgement will be rejected starting on this date and ACATS will deem it a no response system purge.

#### **Documentation:**

A separate ACATS Settle Prep/Pend Day Removal Enhancement specifications guide will be published in April 2025 at [dtcclearning.com](https://dtcclearning.com). This will include the requirement and layout changes from this notice, scenario flows, transition information for pending ACATS and baseline test recommendations. An email communication will be made when available.

If you have any questions regarding this notice, please reach out to your Relationship Manager.

Craig Gurien  
Product Manager, ACATS

## **Appendix A**

### **CNS Exemption/Night Cycle Process Changes**

For T+1, firms will now have until 10:45 PM ET (changed from 6:00 PM ET) to submit exemption and priority instructions to CNS. Absent submission of an override instruction, the firms regular standing instruction will now be applied to both two-day and one-day settling ACATS that create a short position. These are positions that settle in the night cycle and are reported on the CNS Midday Projection File issued at 5:00PM ET or the CNS Position Prior to the Night Cycle File/Report distributed at 9:45 PM ET. The CNS Projection File can no longer be used for this process because it will be distributed at 2:00 AM ET on settlement date, after the night cycle completes.

Note: DTC's Night cycle start time has changed from 8:15 PM ET on T+1 to 11:30 PM ET on T. As a result of the changes to the exemption process, one-day settling CNS ACATS positions from a transfer that has aged to "Settle-Close" can now have a CNS exemption override instruction processed against that position for settlement in the night cycle. Firms should review their exemption process of CNS ACATS. Settling positions for both two-day settling ACATS and one-day settling ACATS with same settlement date are now eligible for exemption override instructions now that they are included in the midday and position prior to the night cycle report.

See <https://www.dtcc.com/ust1> for information on T+1 changes.

#### **T+2 Scenario with Settle Prep**

	Monday	Tuesday	Wednesday	Thursday	Friday
ACATS Intra-Day Status	Request Day 1	Request Day 2 to Review Day 1	Review Day 2	Settle Prep	Settle Close
4:00 PM ET – EOD Status	Request Status-100	Review Status -200	Sett Prep-300	Sett Close-310	Settlement
6:00 PM ET				CNS Exemption Cutoff (For Friday Settlement)	
8:15 PM ET				Night Cycle Begins for Friday Settlement	

T+1 Scenario – without Settle Prep (no acceleration)

	Monday	Tuesday	Wednesday	Thursday	Friday
ACATS Intra-Day Status	Request Day 1	Request Day 2 to Review Day 1	Review Day 2	Sett-Close	
4:00 PM ET – EOD Status	Request Status-100	Review Status -200	Sett Close-310	Settlement	
5:00 PM ET			CNS Mid-Day Projection (for Thursday Settlement)		
9:00 PM ET			Cutoff time for T+1 trades received for Thursday Settlement in Night Cycle		
9:45 PM ET			Final CNS Positions Calculated for Thursday Settlement in Night Cycle		
10:45 PM ET			CNS Exemption Input Cutoff (For Thursday Settlement)		
11:30 PM ET			Night Cycle Begins for Friday Settlement		

## Appendix B - Record Layout changes

### End of Day Positions Output / Settlement Output / Transaction Output

#### Legacy Fixed Format

File	Test AutoRoute #	Production AutoRoute #
ACATS END OF DAY POSITION MRO FIXED	02980724	02090724
ACATS END OF DAY SETTLEMENT MRO FIXED	02980725	02090725
ACATS END OF DAY TRANSACTION MRO FIXED	02980723	02090723

#### Record 01

Field Name: Status

Length: 3

Start: 47

End: 49

Type: A/N

Validation Change: 300 = Settle Prep removed as a code. This will no longer be sent on this file.

#### Record 02

Field Name: Settlement Timing (not applicable for EOD Transactions)

Length: 1

Start: 16

End: 16

Type: A/N

Validation Change: 2 and 3 Days removed as a code. This will no longer be sent on this file.

#### Legacy Variable Format

File	Test AutoRoute #	Production AutoRoute #
ACATS END OF DAY POSITION MRO VARIABLE	02980718	02090718
ACATS END OF DAY SETTLEMENT MRO VARIABLE	02980719	02090719
ACATS END OF DAY TRANSACTION MRO VARIABLE	02980717	02090717

Field Name: Status

Length: 3

Start: 51

End: 53

Type: A/N

Validation Change: 300 = Settle Prep removed as a code. This will no longer be sent on this file.

Field Name: Settlement Timing (not applicable for EOD Transactions)

Length: 1

Start: 86

End: 86

Type: A/N

Validation Change: 2 or 3 Days removed as a code. This will no longer be sent on this file.

## **MQ / JSON Format**

"recordType" : "POSITION",

Or

"recordType" : "SETTLEMENT",

Attribute: status

Validation Change: "status" : "SETTLE\_PREP", removed as a valid value. This will longer be sent in this message.

Attribute: settlementTiming

Validation Change: "settlementTiming" : "DAYS\_2" or "DAYS\_3", removed as a valid value. This will longer be sent in this message. Only "NEXTDAY" will apply.

"recordType" : "END\_OF\_DAY\_TRANSACTION",

Attribute: status

Validation Change: "status" : "SETTLE\_PREP", removed as a valid value. This will longer be sent in this message.



## Print Image Report

File	Test AutoRoute #	Production AutoRoute #
ACATS END OF DAY POSITION REPORT	02980711	02090711
ACATS END OF DAY SETTLEMENT REPORT	02980712	02090712

\*NO END OF DAY TRANSACTION REPORT IN PRINT IMAGE.

Both Position and Settlement Report will no longer have a Settle Prep section

```

DATE: 03/24/2025          AUTOMATED CUSTOMER ACCOUNT TRANSFER SYSTEM
PAGE:  97
TIME: 16:37:10           CONTROL REPORT AS ORIGINAL ACCOUNT DELIVERER
                          END OF DAY TRANSFER STATUS FOR: 03/24/2025
DEL PARTICIPANT: 0122 ABC INCORPORATED
REC  DEL_CUST_ACCT_NUM  REC_CUST_ACCT_NUM  SSN/TAX_ID  SSN/TAX_ID2  A/T  CUSTOMER_NAME
      CONTROL_NUM      TYPE TRNS_STATUS  DAYS ACTION  CYC FLD/REJ/CMNT  OLD_VALUE
NEW_VALUE

```

```

----- SET PREP -----
0122  ABC11111      1234T999      999-99-9999      SN  JOHN DOE      PO BOX 2222
      2025078-0012345  FUL SET-PREP      01

```

## Fund/SERV Statistics Output

**Fixed**

File	Test AutoRoute #	Production AutoRoute #
ACATS FUND/SERV STATISTICS MRO FIXED	02980726	02090726

Record 02  
Field Name: Action Type  
Length: 1  
Start: 16  
End: 16  
Type: A/N  
Validation Change: Remove P = Pending Reminder  
Note: S = System Purge will be sent for any no response by fund after day 1 deadline.

## Variable

File	Test AutoRoute #	Production AutoRoute #
ACATS FUND/SERV STATISTICS MRO VARIABLE	02980720	02090720

Field Name: Action Type  
Length: 1  
Start: 87  
End: 87

Type: A/N

Validation Change: Remove P = Pending Reminder

Note: S = System Purge will be sent for any no response by fund after day 1 deadline.

## MQ / JSON FORMAT

"recordType" : "FUND\_SERV\_STATISTICS"

Attributes impacted in Fund/SERV Statistics MQ output

actionType

Remove PENDING\_REMINDER value

Note: SYSTEM\_PURGE value will be sent for any no response by fund after day 1 deadline

## Print Image Report

File	Test AutoRoute #	Production AutoRoute #
ACATS FUND/SERV STATISTICAL REPORT	02980715	02090715

Print Image Report will not longer have the following section:

## FUND PENDING ITEMS FOR SETTLEMENT

DATE: 03/25/2025

AUTOMATED CUSTOMER ACCOUNT TRANSFER SYSTEM

PAGE: 1

TIME: 11:17:10

PARTICIPANT FUND/SERV STATISTICS FOR PROCESSING DATE: 03/25/2025

FUND PENDING ITEMS FOR SETTLEMENT 03/26/2025

PARTICIPANT: 0122 ABC INCORPORATED

## Appendix C

### Transition Day – Settle Prep Removal

During migration day, this will be the process for in-flight ACATS. For both PSE and Production, Friday will be the first day in which a status will be aged from review status to settle close. Below is the table for production migration.

	Thursday October 16, 2025		Friday October 17, 2025
Transfer Type	Start of Day / Intra Day	End of Day Position (old code)	End of Day Position (new code)
FUL	Review 1	Review 2	Settle Close / Settle Timing = 1 Settlement Date Monday
FUL	Review 2 Review Accelerate Review Adjust Receiver Accelerate	Settle Prep / Settle Timing = 2 Settlement Date Monday	Settle Close / Settle Timing = 2 Settlement Date Monday
PTD /RCR	Review 1 Review Accelerate Review Adjust Receiver Accelerate	Settle Prep / Settle Timing = 2 (includes options/mutual funds) Settlement Date Monday	Settle Close / Settle Timing = 2 Settlement Date Monday
PTD /RCR	Review 1 Review Accelerate Review Adjust Receiver Accelerate	Settle Close / Settle Timing = 1 (no options/mutual funds) Settlement Date Friday	N/A
PTR	Review 1	Review 2	Settle Close / Settle Timing = 1 Settlement Date Monday
PTR	Review 2 Review Accelerate Review Adjust Receiver Accelerate	Settle Prep / Settle Timing = 2 (includes options/mutual funds) Settlement Date Monday	Settle Close / Settle Timing = 2 Settlement Date Monday
PTR	Review 2 Review Accelerate Review Adjust Receiver Accelerate	Settle Close / Settle Timing = 1 (no options/mutual funds) Settlement Date Friday	N/A
RCL	Review 3 Review Accelerate	Settle Close / Settle Timing = 1 Settlement Date Friday	N/A
FRV / MFC	Review 1	Settle Close / Settle Timing = 1 Settlement Date Friday	N/A
PTF	Review 1, 2, 3 and Fund/SERV acknowledged	Settle Close / Settle Timing = 1 Settlement Date Friday	N/A

## Transition Day – Fund/SERV Pend Day 2 Removal

During migration day, this will be the process for in-flight ACATS Fund/SERV transfers. For both PSE and Production, Friday will be the first day in which a status will be aged from review status to settle close. Monday will be the first day in which a pending status will not be sent. Below is the table for production migration.

Wednesday October 15, 2025	Thursday October 16, 2025	Friday October 17, 2025	Monday October 20, 2025
Fund Registration sent  EOD – Settle Prep	Fund/SERV Statistics can contain:  Acknowledgement Reject Pending	Fund/SERV File can contain:  Acknowledgement Reject System Purge	Not Applicable
	Fund Registration sent  EOD – Settle Prep	Fund/SERV File can contain:  Acknowledgement Reject Pending	Fund/SERV File can contain:  Acknowledgement Reject System Purge
		Fund Registration sent  EOD – Settle Close	Fund/SERV File can contain:  Acknowledgement Reject System Purge  If Fund does not respond by 11am on Monday, then the System Purge will appear on Fund/SERV stat file. No reminder record will be sent to the Fund (080 record on this day).