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<b>Date:</b>	JANUARY 28, 2019
<b>To:</b>	ALL ACATS PARTICIPANTS
<b>From:</b>	ACATS PRODUCT MANAGEMENT, DTCC EQUITIES CLEARANCE
<b>Attention:</b>	DIRECTOR OF OPERATIONS, ACCOUNT TRANSFERS DEPARTMENT, MUTUAL FUND OPERATIONS, P&S DEPARTMENT
<b>Subject:</b>	ACATS MODERNIZATION/SHORTENED CYCLE INITIATIVE – SCOPE AND SCHEDULE CHANGE UPDATE

*This is a follow-up to Important Notice [A8599](#) (published 08/23/18). Click [here](#) for all associated ACATS Important Notices.*

This notice provides specific PSE (Test) and Production migrates dates for the ACATS Modernization/Shortened ACATS initiative and provides an update on what changes will be included in the release. See appendix for detailed enhancement specifications.

**Target Dates (pending Regulatory Approval):**

- PSE Testing – **Monday, November 4, 2019** – This is the date in which firms are expected to be ready to begin testing. This will require access to the PSE U Region for output. Testing setup information will be provided in subsequent notices and during industry working group calls.
- Production – **February 2020** - Exact date in February will be communicated in a subsequent important notice.

**Project Scope:**

**In Scope:**

The project will continue to include the enhancements originally planned in previous notices (see Appendix for Enhancement Specifications). These include:

**Industry Requested Enhancements:**

1. Increasing the number of multi-cycles throughout the day from five to eleven.
2. Improving the “Days in Status” field on output reporting to better communicate the status day of the transfer (ex, Request Day 1 vs. Request Day 2, Review Day 1 vs. Review Day 2).

3. Adjusting the input deadline for certain transaction types (such as Transfer and Asset Input).
4. Redefining the function of accelerate to not only remove a day from the process, but to lock in the transfer by restricting additional adjustments and allowing fund registrations to be sent earlier in the day to fund companies.
5. Increasing the number of ACATS Fund/SERV cycles that fund companies can receive requests.
6. Streamlining the Position Transfer Fund (PTF) functionality to allow fund registration (FR) records to send at the same time as Transfer Input (TI) and Asset Transfer (AT) records.

### **Out of Scope:**

#### 1. Industry Enhancements

In the last important notice (a8599), it indicated that the initiative would consider four additional enhancements. Based on industry feedback and directional change within the [Settlement Optimization](#) initiative, which affected the plan for settle prep removal, a decision was made to not include the following changes in this release:

- Settle Prep (300 Status) Removal
- Receiver Delete Expansion
- Foreign Extension Mandatory Usage
- Elimination of Fund Acknowledgement Day 2

#### 2. Additional Derived Modernization Enhancements

With ACATS Modernization, which includes a rewrite of the existing ACATS applications, several derived requirements were originally identified by DTCC and reviewed with industry participants to streamline processing of files. Based on additional analysis and feedback, it was decided to implement these changes in a future release post this implementation. This will enable firms to concentrate on the in scope changes, reduce testing and limit operational modifications that some of these changes may have introduced. The enhancements below will not be included as part of this project.

- Consolidation of System Reject Reason Codes to reduce duplicity.
- Streamlining of Alphanumeric Character Set so that all alphanumeric fields consistently support the same character set (alpha, numeric and special characters).
- Customer Account Number field validation change where ACATS will no longer strip lower case letters when submitted.
- Transaction Reference ID field validation change where ACATS will no longer modify field by stripping characters.
- Print Image Reporting – decommission of the 710-Multicycle Intra-day Reporting. A new self-service dashboard will be available to extract data required to produce these reports.

### **Documentation:**

Applicable Record layouts, User Guides and Best Practices are available at the following link:

<https://dtcclearning.com/learning/clearance/topics/acats/acats-record-layouts.html>.

These documents may be updated from time to time. Any updates will be communicated in separate email communications.

**Working Group:**

An industry working group pertaining to this initiative meets every other Wednesday from 2 PM to 3 PM ET. If interested, please email Craig Gurien at [cgurien@dtcc.com](mailto:cgurien@dtcc.com).

**Additional Information:**

A copy of this Important Notice can be obtained from the website of NSCC's parent corporation, The Depository Trust & Clearing Corporation, at <http://www.dtcc.com>.

If you have any questions regarding these enhancements, please contact your DTCC Relationship Manager.

A copy of this Important Notice can be obtained from <http://www.dtcc.com>. If you have any questions regarding this notice, please contact your DTCC Relationship Manager.

Craig Gurien,  
Product Manager, ACATS

# Appendix – Enhancement Specifications

## 1. ACATS Hourly Input/Output Cycles

Description:

Currently, ACATS provides five input and output intra-day cycles per day. The current input times are 8am, 10am, 12pm, 2pm and 4pm ET. To provide additional flexibility in receiving and responding to transactions intra-day, ACATS will increase from five multi-cycles to eleven multi-cycles.

Enhancement:

1. 6 new input cycles at 6am, 7am, 9am, 11am, 1pm and 3pm to create an hourly multi-cycle process from 6am to 4pm ET. The corresponding output cycles are listed in Table 1 below.
2. For files transmissions: The ACATS AutoRoute (A/R) Cycle #s will be updated to reflect the new output cycles (see Table 1). The cycle number is included on the AutoRoute header (Field Name: Multi-Cycle Transmission Counter) for firms that receive file transmissions.
  - o Multi-Cycle Transmission Counter – bytes 44-45

AutoRoute Header Records Layout:

<http://www.dtcc.com/~media/Files/Downloads/Clearing-Services/file%20formats/1662300000000.pdf>

Firms must be prepared to accept these additional cycles via file transmissions or download either data files or reports via the DTCC Web Portal. For firms that receive file transmissions, modification to your file names in the AutoRoute header record may be required depending on how your file names are configured. Some firms have data set names that contain a cycle number. File name changes can be requested by emailing [nscsupport@dtcc.com](mailto:nscsupport@dtcc.com).

Note: Output times changes are for multi-cycle transaction reports only. All other reports including, End of Day Positions, Settlement, Transaction, Fund/SERV Statistics and Insurance Statistics files will not change.

Table 1 - Input / Output Times (ET) (**Bold Type** represents current input and output times.)

<b>Input*</b>	<b>Output**</b>	<b>Current A/R Cycle #</b>	<b>New A/R Cycle #</b>
6:00 AM	7:00 AM	N/A	01
7:00 AM	8:00 AM	N/A	02
<b>8:00 AM</b>	<b>9:00 AM</b>	<b>01</b>	<b>03</b>
9:00 AM	10:00 AM	N/A	04
<b>10:00 AM</b>	<b>11:00 AM</b>	<b>02</b>	<b>05</b>
11:00 AM	12:00 PM	N/A	06
<b>12:00 PM</b>	<b>1:00 PM</b>	<b>03</b>	<b>07</b>
1:00 PM	2:00 PM	N/A	08
<b>2:00 PM</b>	<b>3:00 PM</b>	<b>04</b>	<b>09</b>
3:00 PM	4:00 PM	N/A	10
<b>4:00 PM</b>	<b>5:00 PM</b>	<b>05</b>	<b>11</b>

\*Input represents the deadline for the submission of a file in order for the file to be included in that cycle's output process.

\*\*Output represents the latest time that a file, corresponding to the input time, would be transmitted to firms before being considered as late. Output files can and are generally sent earlier than the output time indicated.

## **2. Change to Days in Status Field**

### Description:

Days in Status field is a value provided by ACATS on the Multi-Cycle and End of Day output reports to indicate how long a transfer has been in any particular status (ex. Request, Review, Settle Prep). Today, when the status changes intraday (ex. Request or Review), the Days in Status field displays 01 (representing Day 1 of that status). Unless a subsequent action or input changes the status again, a transfer remains in a particular status for a minimum of 24 hours. At the end of the day, ACATS ages the status and adds an additional day if the transfer has been in the current status for a minimum of 24 hours. If it is in the current status for less than 24 hours, then the Days in Status will remain in Day 1. Therefore, a status may reflect as Day 1 even though the status may actually already be in its second day (such as second day or review). Today, the most common scenario in which Days in Status value is greater than 01 is during Bank Holidays, which can add a day to the process. For this release, Days in Status will now reflect the actual business day of the status rather than the passage of time in the status.

This enhancement will help firms display the correct day count for the specific status the transfer is in each day. Actual business day of the status is important with the changes to the input deadlines described in section 3. Input deadlines may be different based on status day.

### Current Process Scenario 1 – Request Status (100)

TI record is sent and ACAT status is set to Request Day 1 (100). The delivering firm presents the AT record on day 2. The firm does not have an internal clock that changes the day count.

- Day 1 – Firm Displays the status as Request Day 1
- Day 2 – Firm continues to display the status as Request Day 1
  - This does not reflect that it is actually the second day of request status.

### Current Process Scenario 2 – Review Status (200)

AT record is sent and ACAT status is set to Review Day 1 (200). The receiving firm does not accelerate the transfer on day 1. The firm does not have an internal clock that changes the day count.

- Day 1 – Firm Displays the status as Review Day 1
- Day 2 – Firm continues to display the status as Review Day 1
  - This does not reflect that it is actually the second day of review status

Enhancement:

1. ACATS will change Days in Status field to reflect the actual business day of the status. The change in Days in Status field will impact the following output files/reports:

- ACATS Multi-Cycle Transaction
  - Field Location:
    - Fixed Layout - Days in Status field – record 01, bytes 52-54
    - Variable Layout – Days in Status field – bytes 56-58
- ACATS End of Day Position
  - Field Location:
    - Fixed Layout - Days in Status field – record 01, bytes 50-52
    - Variable Layout – Days in Status field – bytes 54-56

For example:

	<b>Monday intraday</b>	<b>Monday EOD</b>	<b>Tuesday intraday</b>	<b>Tuesday EOD</b>	<b>Wednesday intraday</b>	<b>Wednesday EOD</b>	<b>Thursday intraday</b>	<b>Thursday EOD</b>	<b>Friday intraday</b>	<b>Friday EOD</b>
<b>Current</b>	<b>TI Add</b>		<b>No input</b>		<b>AT Add</b>		<b>Divr AT Change</b>			
	Status: Request 100	Status: Request 100	Status: Request 100	Status: Request Past 130	Status: Review 200	Status: Review 200	Status: Rev Adj 210	Status: Rev Adj 210	Status: Rev Adj 210	Status: Sett Prep 300
	Days in Status: 001	Days in Status: 001	Days in Status: 001	Days in Status: 001	Days in Status: 001	Days in Status: 001	Days in Status: 001	Days in Status: 001	Days in Status: 001	Days in Status: 001
<b>Future</b>	<b>TI Add</b>		<b>No input</b>		<b>AT Add</b>		<b>Divr AT Chg</b>			
	Status: Request 100	Status: Request 100	Status: Request 100	Status: Request Past 130	Status: Review 200	Status: Review 200	Status: Rev Adj 210	Status: Rev Adj 210	Status: Rev Adj 210	Status: Sett Prep 300
	Days in Status: 001	Days in Status: 002	Days in Status: 002	Days in Status: 001	Days in Status: 001	Days in Status: 002	Days in Status: 001	Days in Status: 002	Days in Status: 002	Days in Status: 001

Under the new process, the first day of status will be Days in Status = 001. If the status remains the same for the remainder of the day, the EOD files will update the Days in Status to 002, which will then be reported on the next day’s intraday output files until the status of transfer changes again.

2. ACATS settlement date never occurs on a bank holiday. As a result, a status will not change to Sett Prep or Sett Close the business day before a bank holiday. This will result in the Days in Status field being increased to Day 3 in a bank holiday scenario. If a status moves to day 3, the ACATS system will use applicable deadline of Day 2 status.

Example where Bank holiday is on a Monday.

On Friday before – Review 2 – at end of the day, Days in Status field will go to Review Day 3. On Monday, Review day deadlines will be based on whatever the times are for day 2. Therefore, for example, deliverer adjustments on Review Day 3 (if applicable) will be until 11am.

### 3. New Input Deadlines for Record Types.

#### Description:

To enable additional throughput of ACATS transactions on the first day of the request and review and quicker turnaround time on the second day of request and review status, several of the input deadlines will be modified. **All times listed are ET.**

#### Enhancements:

##### 1. Transfer Input Record Changes

- TI Add – for FUL, PTF and PTR – deadline is extended from 12pm to 3pm for the initial transmission. This will enable firms to get more transfers into ACATS the first day rather than queuing up for next day. All other non-standard deadlines will remain at 12pm.
- TI Reject (for Deliverer) – for FUL and PTR- deadline is extended from 2pm to 4pm on the first day to accommodate the TI Add extension to 3pm. The deadline is moved from 2pm to 11am on the second day of Request Status.
- TI Reject (for Receiver) – Deadline times remain the same as current process. However, for Reclaims (RCL), there will be one less day to reject a Reclaim in review status. The transfer will move to ‘310 Settle Close’ at EOD of Review Day 3. Currently, it moves to ‘310 Settle Close’ at the end of Review Day 4.
- TI Adjustment (for Deliverer and Receiver) – Deadline time remains the same as current process. However, Deliverer will no longer be able to make adjustments if a transfer is in accelerate status “230” or “240”. See Acceleration enhancements (section 4) for more details on acceleration changes.
- TI Accelerate (for Receiver) – Deadline time remains the same as current process. However, acceleration can now be submitted for PTR, PTD and RCR for the purpose of expediting the fund registrations in earlier cycles due to new acceleration rules detailed in section 4.

##### 2. Asset Input Record Changes:

- Asset Input (for Deliverer) – For FUL and PTR, deadline on the first day of the request status has been extended from 2pm to 4pm. The deadline on the second day of request status has been moved from 2pm to 11am.
  - Note: 11am on Day 2 will also become the new deadline for late or non-validated transfers. When this occurs the ACATS status changes to 400 Purge status and will get reported to the regulators with this status at the end of the month.
- Asset Adjustments (for Deliverer) – For FUL, deadline on the first day of the review status has been extended from 2pm to 4pm. The deadline on the second day of review status has been moved from 2pm to 11am. Deliverer adjustments will not be allowed if transfer is accelerated even if deadlines are not reached. See new acceleration rules detailed in section 4.

- An exception to the new acceleration rule is when the Deliverer sends an adjustment and the Receiver sends an acceleration in the same cycle. In this case, the deliverer adjustment takes precedent over the accelerate and the receiver would need to re-submit accelerate. This is the same as current process.
- Asset Adjustments (for Receiver) – Deadline times remain the same as current process. For PTR, asset adjustments will be permitted up until 4pm on the 2nd day of review. Currently, only one day is allowed for asset adjustments. This change is made to accommodate receiver delete functionality for mutual funds implemented in November 2016. PTRs will stay in review status for an extra day and move to settlement on Review Day 2; the next business day after the deliverer sends assets, unless receiver accelerates the PTR on Review Day 1.

3. Mutual Fund and Insurance Registrations:

- Deadline times remain the same as current process.

The following table illustrates the change to input deadlines based on record type:

Action	Record Type - Transaction Type	Applicable Transfer Types	Current Input Deadline	New Input Deadline	Status - Days in Status	Notes
Transfer Input	TI - A (Add)	<b>FUL, PTF, PTR</b>	<b>12:00 PM</b>	<b>3:00 PM</b>	N/A	
		FRV MFC PTD RCL RCR	12:00 PM	12:00 PM	N/A	
Transfer Reject (Deliverer)	TI - R (Reject)	<b>FUL PTR</b>	<b>2:00 PM</b>	<b>4:00 PM</b>	Request Day - 1	
		<b>FUL PTR</b>	<b>2:00 PM</b>	<b>11:00 AM</b>	Request Day - 2	
Action	Record Type - Transaction Type	Applicable Transfer Types	Current Input Deadline	New Input Deadline	Status - Days in Status	Notes
Transfer Reject (Receiver)	TI - R	FUL PTR	4:00 PM	4:00 PM	Review Day - 1 or 2	
		FRV MFC PTD RCR	4:00 PM	4:00 PM	Review - 1	
		RCL	4:00 PM	4:00 PM	Review Day - 1, 2 or 3	RCL will be one day shorter than current process.



Transfer Adjustment (Receiver & Deliverer)	TI – C (Change)	FUL	4:00 PM	4:00 PM	Request Day - 1 or 2 Review Day - 1 or 2	Deliver can change unless in status 230 or 240 under new requirement. See new Acceleration changes (section 4)
Transfer Acceleration (Receiver)	TI – X (Accelerate)	FUL PTR RCL	4:00 PM	4:00 PM	Review Day - 1 or 2	
		PTD RCR	4:00 PM	4:00 PM	Review Day - 1	Change is the adding of TI-X for Fund Registrations.

Asset Input (Deliverer)	AT - A	FUL PTR	<b>2:00 PM- FUL 12:00 PM- PTR</b>	<b>4:00 PM</b>	Request Day - 1	
		FUL PTR	<b>2:00 PM- FUL 12:00 PM - PTR</b>	<b>11:00 AM</b>	Request Day - 2	

<b>Action</b>	<b>Record Type - Transaction Type</b>	<b>Applicable Transfer Types</b>	<b>Current Input Deadline</b>	<b>New Input Deadline</b>	<b>Status - Days in Status</b>	<b>Notes</b>
Asset Adjustments (Deliverer)	AT - A AT - C AT - D (Delete)	FUL	<b>2:00 PM</b>	<b>4:00 PM</b>	Review Day - 1	Once a transfer has been accelerated (status '230 – Review Accelerate' or '240 – Review Adjust Receiver Accelerate') the deliverer can no longer make any updates within this transfer in the subsequent cycles, even if the deliverer adjustment cutoff has not been reached.
		FUL	<b>2:00 PM</b>	<b>11:00 AM</b>	Review Day - 2	
Asset Adjustments (Receiver)	AT – D	FUL PTD PTR RCR	4:00 PM	4:00 PM	Review Day - 1	AT – D applicable for asset category MFMM or MFNM for FUL, PTD, PTR and RCR

						AT – D applicable for asset category ANNU for FUL only
		FUL PTR	4:00 PM NA	4:00 PM 4:00 PM	Review Day - 2	New functionality for PTR – adding a 2nd day of review
Mutual Fund Registration	FR – A	FUL PTR	4:00 PM	4:00 PM	Review Day - 1 Review Day - 2	
		PTD PTF RCR	4:00 PM	4:00 PM	Review Day - 1	New functionality for PTF – FR can be submitted with TI and AT (See #6)
<b>Action</b>	<b>Record Type - Transaction Type</b>	<b>Applicable Transfer Types</b>	<b>Current Input Deadline</b>	<b>New Input Deadline</b>	<b>Status - Days in Status</b>	<b>Notes</b>
Insurance Registration	IR – A	FUL	4:00 PM	4:00 PM	Review Day - 1 Review Day - 2	
		PTD	4:00 PM	4:00 PM	Review Day - 1	

#### 4. Acceleration Changes

##### Description:

Acceleration is a current feature in ACATS that allows the receiving firm, when executed on the same day that a delivering firm loads the assets, to reduce the review period by one day, thus reducing the transfer cycle by one day. Currently, after a receiver accelerates the transfer, ACATS still allows the delivering firms to make adjustments, which results in the cancellation of the acceleration request. For example, if a delivering firm adjusts assets after acceleration is executed, ACATS will cancel the receiver’s acceleration request, which adds back the review day that was scheduled to be removed. To restore the acceleration, the receiver must resubmit the acceleration request on that same day. After this release, acceleration will continue to eliminate a review day from the transfer cycle. In addition, once an acceleration request is submitted by the receiver, the request will be deemed as the final approval from the receiver. This approval will result in no additional adjustments, except in the case when Deliverer Adjustment and Receiver Accelerate are submitted in the same cycle (see Enhancement 2 below).

Delivering firms who use the current adjustment cutoffs for fees adjustments or other reasons will need to be prepared for this change. Restrictions will be in place if the receiver accelerates.

##### Enhancements:

1. Currently, a receiving firm can submit a TI X (transfers accelerate) for only a FUL Transfer and RCL (reclaim). TI X will now be allowed for PTD, PTR and RCR for expediting the fund registrations in earlier cycles (see Section 5 below). Receivers submitting a TI X transaction for a PTD/PTR/RCR will move the transfer to status ‘230-Review Accelerate’.

- For PTDs and RCRs, this will not accelerate settlement as they stage to settlement on the first day of review (Day of Review 1). For PTR, this will accelerate settlement if submitted on the first day of review.
2. Once a transfer has been accelerated (status ‘230 – Review Accelerate’ or ‘240 – Review Adjust Receiver Accelerate’), the deliverer can no longer make any updates to the transfer in the subsequent cycles, even if the deliverer adjustment cutoff has not passed. However, the receiver will still be allowed to delete a mutual fund or annuity after the accelerate since a delete would not extend the transfer cycle. The receiver will not be able to reject a transfer once in accelerate status.
  3. As in the current process, if deliverer adjustment and receiver accelerate occur in the same cycle, ACATS will honor the deliverer adjustment and reject the receiver accelerate. The receiver would need to resubmit the accelerate to expedite the transfer and/or fund registrations.
  4. If the acceleration request is submitted on Day One of Review, it will remove the second day of review for FUL, PTRs and subsequent days of review for RCL. The second day of review for PTRs was added due to the introduction of receiver deletes for mutual funds implemented in November 2016.
    - Note: The review period of a RCL can last a maximum of two business days, not including the day when the transfer was initiated (currently it’s three business days), so an acceleration request will have to be submitted before transfer is staged to Review 3 (end of second business day of review).
  5. Allow acceleration for TI X for FUL and PTR transfers on the second day of review to expedite fund registrations to fund companies.

## 5. ACATS-Fund/SERV output

### Description:

Currently, fund companies receive 018 records (transfer request records) created from ACATS-Fund/SERV once daily at approximately 6:30 pm. In an effort to get 018 records to fund companies earlier in the day, ACATS-Fund/SERV will begin sending 018 records hourly to fund companies under certain conditions (see Enhancement 3 below). Allowing 018 records to be sent earlier in the day allows more time for fund companies to rework not in good order registrations and decrease the chance of fund rejects. This is the first phase of shortening the settlement cycle for mutual funds. A future phase will look to remove the second pend day that fund companies have to acknowledge fund registrations. Setting up a framework to get registrations to fund companies earlier is the first step towards that goal.

### Enhancements:

1. Fund companies will begin receiving 018 records in Fund/SERV cycles 14 through 22 (see table below). Fund/SERV cycle mentioned below are applicable to fund companies. Only. The table below also shows the input deadline that firms have in ACATS for the fund registrations to be included in a particular Fund/SERV cycle.

<b>Firm Deadline to submit Fund Registration (FR) to ACATS (plus firm acceleration)</b>	<b>Fund/SERV will send to Fund Company by*:</b>	<b>Fund/SERV Cycle #</b>
10am	12:00	14
11am	1:00	15
12pm	2:00	16
1pm	3:00	17
2pm	4:00	18
3pm	5:00	19
	6:00	20**
	6:30	21**
4pm (current time)	7:00	22

**\*The times listed above are the latest times for each cycle that fund companies would receive their transactions. The files are generally sent earlier than the time indicated.**

**\*\*Cycles 20 and 21 will generally contain no data. The only scenario in which these cycles may contain data is if the ACATS system is experiencing lateness and misses the previous cycles.**

2. In order for the asset to be eligible for an earlier cycle (earlier than last cycle of the day), the FR record must be received and the transfer must be accelerated by the receiving firm.
  - a. A transfer may be accelerated by the receiver as follows:
    - Submit a TI Accelerate transaction (TI X) for transfer types FUL, PTD, PTR and RCR. This will move transfer to status ‘230 – Review Accelerate’.
    - Submit Asset Delete transaction (AT D) for a mutual fund asset. This will move transfer to status ‘240 – Review Adjust Receiver Accelerate’.
    - Submit Asset Delete transaction (AT D) for an annuity fund asset for FUL transfer only. This will move transfer to status ‘240 – Review Adjust Receiver Accelerate’.
  - b. If the transfer is being accelerated, the new process will generate 018 records for all FRs (not previously sent to Fund/SERV) within applicable cycles throughout the day. When the FR is sent to Fund/SERV, it will be marked as ‘sent’ and any other FRs or asset delete submitted for that same asset will be rejected. The best practice is for FR to be sent as soon as possible, so they can go earlier. However, this is not mandatory, and there may be cases in which the firm may need to hold back an FR for additional review to determine if the asset should be deleted.
  - c. If the firm does not accelerate their transfer, FRs will go to Fund/SERV in the last batch of the day (current EOD processing).
  - d. If the receiver does not submit an FR, the default registration will be created and will go in the last batch of the day (current EOD processing). This will happen regardless of whether the transfer is being accelerated (default registrations will not be sent intraday).

Note: The fund acknowledgement (019 record) process will remain the same. If a fund company sends a 019 acknowledgement on the same day it receives the 018 record, the acknowledgement will be included on the next day's Fund/SERV statistics report to the firm.

- a. As an example, the fund company receives a 018 record in cycle 14 on Monday. Fund sends 019 record in cycle 16 on Monday. Fund/SERV will pass this 019 record to ACATS on Tuesday to be included in Tuesday's Fund/SERV statistics report to the firm.

## **6. Position Transfer Fund (PTF) Changes**

### Description:

Currently, firms that process PTFs are required to send their FR records in a subsequent batch once an ACATS Control Number and Asset Sequence Number are defined. This change will allow firms to submit their FR record with the TI and AT records. This can reduce processing time by removing the second step of waiting for the multi-cycle file to come back before sending the FR. This is an optional change.

### Enhancements:

1. When the submitting firm is a receiver, the FR record may now be submitted at the same time as when TI and AT are submitted. This is an optional change for the receiving firm. The Receiver can still process TI and AT first and then send FR in the following cycle.
2. For file transmissions, the FR record must directly follow the AT record it is associated with, otherwise it will be rejected. If the FR directly follows the AT it is associated with, the FR will not require a transfer control and asset sequence numbers to be populated. ACATS will assign the same transfer control and asset sequence number as the asset preceding it.
3. For DTCC Portal users, the FR records will screen will be available during the initial submission of a PTF.
4. Upon successful validation, PTF will be assigned status '200 – Review' and record 018 will be sent to Fund/SERV. For PTF transfers, ACATS will automatically accelerate the request once the transfer reaches Review and FR has been received.
5. If the FR is not included in the initial PTF submission, it may be submitted in any subsequent cycle and must have the ACATS control number and asset sequence numbers populated (same as the current processing). Upon successful validation of the FR, the PTF will keep status '200 - Review' and record 018 will be sent to Fund/SERV.
6. If receiver does not submit an FR in any subsequent cycle, the default registration will be created, as applicable, and the record 018 will go in the last batch of the day (same as the current processing).
7. When submitting firm is the deliverer, a default FR will be created at the EOD (same as the current processing).