

# THE DEPOSITORY TRUST COMPANY

# IMPORTANT

**B#:** 9973

**DATE:** May 4, 2000

**TO:** All DTC Participants

**FROM:** Settlement Department

**ATTENTION:** Managing Partner/Officer, Operations Manager, Bank Trust/Dealer, Portfolio/Clearing Officer, and Settling Bank Officer

**SUBJECT:** Payment Order Processing

Effective June 5, 2000, DTC will modify its Deliver Order (DO) input procedures to eliminate the processing of payment order transactions through the DO input facilities. This change will not alter payment order processing via the payment order facilities.

## Background

Payment order transactions allow Participants to process money-only movements via DTC's system, i.e., transactions without corresponding security movements. Currently, Participants can submit payment order transactions through PTS, MDH, CCF, and CFII payment order input facilities. In addition, Participants may also submit payment order transactions via the DO input facilities by submitting deliver order transactions containing "dummy" payment order CUSIP numbers 977777770 or 988888889 and using reason codes: 74 (SPO mark-to-market), 75 (SPO mark-to market reclaim), 84 (PPO options premium), and 85 (PPO options premium reclaim).

The ability to process payment order transactions through the DO facilities was developed primarily to allow DTC Participants to process money-only transactions with Participants in the Midwest Securities Trust Company (MSTC) and with Participants in the Philadelphia Depository Trust Company (Philadep). With the absorption of the business of these firms by DTC, there is no longer a need to retain the DO payment order capability.

Effective June 5, 2000, DTC will no longer process payment order transactions through the deliver order facilities. Participants attempting to process PTS DO transactions containing CUSIPs 977777770 and 988888889 will receive an error message stating "Global-lock." Likewise, automated users attempting to process MDH, CCF, and CFII DO transactions containing these CUSIPs will receive an error message stating "CUSIP is locked." (Participants are already prevented from using these CUSIPs in the existing non-DO payment order input facilities.)

In conjunction with the elimination of the processing of payment orders via the DO input facilities, DTC has expanded the Settlement Value field size on the PTS POLU function from 9.2 characters (e.g., 999,999,999.99) to 10.2 characters (e.g., 9,999,999,999.99).

Questions regarding this Notice should be directed to John Abel, Settlement Planning Manager, at (212) 855-8434, Kathleen Parasimo, Settlement Planning Consultant, at (212) 888-8716, or your Relationship Manager.

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Operations