

# The Depository Trust Company

## **IMPORTANT**

### **Reminder**

**B#:** 2650R

**DATE:** November 07, 2001

**TO:** All Participants and Transfer Agents

**CATEGORY:** Executive Notices

**FROM:** J. Weidman, Product Management

**ATTENTION:** Managing Partners, Officers, Cashiers, Ops Mgrs, IS Mgrs

**SUBJECT:** Enhancements to DWAC Function

#### **Background:**

The Deposit/Withdrawal at Custodian (DWAC) function enables participants to submit deposit and withdrawal transactions directly to FAST transfer agents and receive same-day updates to their DTC accounts after transfer agents have approved the transactions. FAST transfer agents are able to approve transaction requests up to 6:30 p.m. (EST) on the day the transactions are submitted utilizing the PTS function, CDWC, which automatically updates DTC's FAST balances accordingly. Participants who elect to use the optional 72-hour "Pend" feature to submit **deposit** transactions have the benefit of receiving approvals for three business days, including the day of submission. (For more information on the optional 72-Hour Pend Feature, please refer to Important Notice B#9685 dated, March 23, 2000 and Important Notice B# 9586 dated, March 20,2000 on DTC's web site, [www.dtc.org](http://www.dtc.org).)

With the number of DWAC transactions continuing to grow, currently over 150,000 transactions per month, any delays in approving transactions or rejects from Transfer Agents can expose participants and stakeholders to risk. With this concern, industry members approached DTCC to facilitate an efficient means to improve the comparison process. DTCC met with both participants and transfer agents about needed improvements, and is now ready to schedule a series of enhancements to the DWAC functions, functions that have seen few substantial changes since the original implementation of the DWAC over 15 years ago.

## Modifications:

DTC has made the following enhancements to the DWAC CCF/CF2 file layout and on-line displays (PTS/PTS JR.) **The current DWAC function name for CCF is DWAC and for CF2 is CF2DWC. CCF/CF2:**

- Added additional optional data-fields for Participant Contact-Name, Phone Number and Reference Number to the CCF/CF2 file, which is submitted by participants (**see attached Exhibit I for the new record layout**). The Reference Number (26 characters in length) can be utilized between the participant, the issuer and the agent as a unique identification number for a specific DWAC transactions. **The new function name for CCF is DWAX and for CF2 is CF2DWX.**

## PTS:

- Modified the participant PDWC and NDWP PTS functions to require the input of the participant Contact Name and Phone Number fields. The Reference Number fields will be an optional field.
- Modified the transfer agent PTS CDWC and NDWC functions to require the input of the Transfer Agent Contact Name and Telephone Number for all transactions that are rejected.
- Modified all DWAC “Print Tickets” to include the additional data fields as well.

## Intra-Day Approved/Rejected Transactions via MDH and MQ Messaging:

DTC will provide participants with an intra-day status update of transactions that were submitted to the transfer agents for their approval or rejection intra-day via MDH and MQ messaging. The transmissions of the new intra-day protocols will be on an hourly basis, commencing at 10:15 A.M. (EST) and continuing until 5:45 P.M. For transactions to be included in an output cycle, DWAC transactions must be either approved or rejected by the transfer agent and made available by the transfer agent to the depository within the hour prior to the scheduled output time (see below). Providing intra-day messaging should assist participants in managing their DWAC transaction workflow and reduce risk to those participants electing to utilize this enhancement. **(Its important to note DTC plans to phase out MDH protocol within the next two years.)**

### Output Cycle

10:15 A.M.  
11:15 A.M.  
12:15 P.M.  
01:15 P.M.  
02:15 P.M.  
03:15 P.M.  
04:15 P.M.  
05:45 P.M.

In addition, at 6:30 P.M. (EST), a cumulative CCF/CF2 end-of-day file will be made available for all approved and rejected DWAC transactions (**see attached Exhibit III for the record layout**). Participants can elect to receive both the intra-day MQ or MDH message updates and the end-of-day CCF/CF2 file. As the CCF/CF2 end-of-day file will include all of the approved and rejected DWAC transactions that were also included on the MDH and MQ intra-day messages, participants must make internal programming adjustments to prevent “doubling-up” of DWAC transactions.

Please note that the new intra-day service will only be available via MQ messaging or MDH which means, only those participants who currently have either protocols in-house will be able to participate in the intra-day environment (see **attached Exhibit II for the record layout**).

**Billing Information:**

Participants utilizing the new CCF/CF2 end-of-day file will be charged a \$55.00 flat fee for the month. A **.09 cents** per transaction charge (line item) will be assessed for those participants utilizing the MQ and MDH protocols.

**New Cutoff Times:**

Participants will have two new input cut-off times to submit transactions for transfer agent approval or rejection. The CCF/CF2 input cut-off time will be 4:30 PM EST any transactions submitted after 4:30 PM EST will be dropped. The PTS cut-off time will be 5:15 PM EST. Transfer agents will be able to approve or reject the transactions by 5:30 PM EST., which will be the final cut-off time for the day cycle. **The effective date for the new cut-off times will be November 8, 2001. The new cut-off times only apply to the daytime Participants ONLY.**

**Scheduled Implementation:**

The data-field changes referenced above and the enhanced PTS functions will be implemented into production on December 6, 2001.

DTC will be able to support both the current and new CCF/CF2 input file formats to accommodate those participants that require additional time to make the necessary changes. However, participants will have until March 29, 2002 to make the required changes. After March 29<sup>th</sup> DTC will no longer support or accommodate the old CCF/CF2 input file format.

**Testing Input/Output CCF Files and MQ Intra-Day File:**

To help you prepare for the impending changes, we have established a test region to accommodate Participant testing for both CCF/CF2, MDH and MQ protocols. To participate in testing, you should contact Russell Lowy in DTC's Participant Interface Planning Group at 212 855-2693 to make the necessary arrangements.

Participants may direct questions regarding this Important Notice to their Relationship Manager. Transfer agents may direct questions about this Important Notice to your Agent Liaison Relationship Manager or the undersigned at (212) 855-5684.

John Weidman  
Product Manager, Securities Processing

## Exhibit 1

### DWAC Participant in CCF/CF2 File Expansion

#### New File Layout:

01	IN-FILE.		
	05 IN-PARTICIPANT-NUMBER	PIC 9(08).	Participant number
	05 IN-INSTRUCTION-TYPE	PIC X(01).	'W' = Withdrawal, 'D' = Deposit
	05 IN-PREVENT-PEND	PIC X(01).	Prevent withdrawals from pending in
ATP			due to insufficient shares
			Withdrawals = 'P' or Space
			Deposits = Space
	05 IN-CUSIP-NUMBER.		DWAC and DTC eligible FAST
CUSIP			
	10 IN-CUSIP-NUMBER-2	PIC X(02).	Positions 1-2 = zeroes
	10 IN-CUSIP-NUMBER-9.		Positions 3-11 = CUSIP number
	15 IN-CUSIP-NUMBER-8	PIC X(08).	
	15 IN-CUSIP-NUMBER-CK	PIC X(01).	
	10 IN-CUSIP-NUMBER-0	PIC X(01).	Position 12 = zeroes
05	FILLER	PIC X(02).	
05	IN-SHARE-QUANTITY	PIC 9(09).	Whole shares
05	IN-SHARE-FRC	PIC 9(05).	Fractional shares
05	IN-COMMENTS	PIC X(78).	Participant contact comments
05	IN-REF-ID	PIC X(26).	Reference identifier for transaction
05	IN-CONTACT-NAME	PIC X(20).	Participant contact name
05	IN-PHONE-NUMBER.		Participant contact phone number
	10 IN-AREA-CODE	PIC X(03).	
	10 IN-EXCHANGE	PIC X(07).	
	10 IN-EXTENSION	PIC X(05).	
05	FILLER	PIC X(123).	

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**TOTAL = 300 BYTES**

## Exhibit II

### DWAC – Participant Daily Transactions MQ Messaging File Layout for Approved and Rejected Transactions

01	DWC-TRANS-DTC-TO-PART.		
05	DWC-TRANSACTION-HEADER.		
10	DWC-FEEDBACK-INDICATOR	PIC X	VALUE '*'.
10	DWC-PROD-TEST-INDICATOR	PIC X	VALUE 'P'.
10	DWC-RECORD-TYPE-HEADER	PIC X(06)	VALUE 'DWCMSG'.
10	DWC-RECORD-SUFFIX	PIC X(02).	
10	DWC-VERSION-NUMBER	PIC X(02).	
10	DWC-USER-REFERENCE-NUMBER	PIC X(06).	
10	PART-ADDRESSEE	PIC X(08).	
05	PARTICIPANT-FILE.		
10	TA-NUMBER	PIC 9(08).	Custodian number
10	TRAN-ENTRY-DATE	PIC 9(08).	Date transaction was entered into DWAC Format = 'CCYYMMDD'
10	TRAN-PROCESS-DATE	PIC 9(08).	Date Custodian confirmed/rejected transaction Format = 'CCYYMMDD'
10	STATUS-TYPE	PIC X(01).	Status of DWAC transaction 'C' = Confirmed, 'R' = Rejected 'W' = Withdrawal, 'D' = Deposit
10	INSTRUCTION-TYPE	PIC X(01).	DWAC and DTC eligible fast cusip
10	CUSIP-NUMBER.		
15	CUSIP-NUMBER-2	PIC X(02).	Positions 1-2 = zeroes
15	CUSIP-NUMBER-9.		Positions 3-11 = cusip number
20	CUSIP-NUMBER-8	PIC X(08).	
20	CUSIP-NUMBER-CK	PIC X(01).	
15	CUSIP-NUMBER-0	PIC X(01).	Position 12 = zeroes
10	WHOLE-SHARE-QUANTITY	PIC 9(09).	Whole shares
10	FRACTIONAL-SHARE-QUANTITY	PIC 9(05).	Fractional shares
10	REFERENCE-ID	PIC X(26).	Reference identifier for transaction
10	PA-CONTACT-NAME	PIC X(20).	Participant contact name
10	PA-COMMENTS	PIC X(78).	Participant contact comments
10	PA-PHONE-NUMBER.		Participant contact phone number
15	PA-AREA-CODE	PIC X(03).	
15	PA-EXCHANGE	PIC X(07).	
15	PA-EXTENSION	PIC X(05).	
10	TA-CANCEL-CONTACT-NAME	PIC X(20).	Custodian contact name
10	TA-CANCEL-COMMENTS	PIC X(78).	Custodian contact comments
10	TA-CANCEL-PHONE-NUMBER.		Custodian contact phone number
15	TA-CANCEL-AREA-CODE	PIC X(03).	
15	TA-CANCEL-EXCHANGE	PIC X(07).	
15	TA-CANCEL-EXTENSION	PIC X(05).	
10	UNIQUE-IDENTIFIER	PIC X(26).	Transaction unique identifier for DTC use
10	FILLER	PIC X(170).	

**TOTAL = 526 BYTES**

### Exhibit III

## DWAC – File Layout for Approved and Rejected Transactions for DTF End-of-Day File

01	DWC-TRANS-DTC-TO-PART.		
05	DWC-TRANSACTION-HEADER.		
10	DWC-FEEDBACK-INDICATOR	PIC X	VALUE '*'.
10	DWC-PROD-TEST-INDICATOR	PIC X	VALUE 'P'.
10	DWC-RECORD-TYPE-HEADER	PIC X(06)	VALUE 'DWCEOD'.
10	DWC-RECORD-SUFFIX	PIC X(02).	
10	DWC-VERSION-NUMBER	PIC X(02).	
10	DWC-USER-REFERENCE-NUMBER	PIC X(06).	
10	PART-ADDRESSEE	PIC X(08).	
05	PARTICIPANT-FILE.		
10	TA-NUMBER	PIC 9(08).	Custodian number
10	TRAN-ENTRY-DATE	PIC 9(08).	Date transaction was entered into DWAC Format = 'CCYYMMDD'
10	TRAN-PROCESS-DATE	PIC 9(08).	Date Custodian confirmed/rejected transaction Format = 'CCYYMMDD'
10	STATUS-TYPE	PIC X(01).	Status of DWAC transaction 'C' = Confirmed, 'R' = Rejected 'W' = Withdrawal, 'D' = Deposit
10	INSTRUCTION-TYPE	PIC X(01).	DWAC and DTC eligible fast cusip
10	CUSIP-NUMBER.		
15	CUSIP-NUMBER-2	PIC X(02).	Positions 1-2 = zeroes
15	CUSIP-NUMBER-9.		
20	CUSIP-NUMBER-8	PIC X(08).	Positions 3-11 = cusip number
20	CUSIP-NUMBER-CK	PIC X(01).	
15	CUSIP-NUMBER-0	PIC X(01).	Position 12 = zeroes
10	WHOLE-SHARE-QUANTITY	PIC 9(09).	Whole shares
10	FRACTIONAL-SHARE-QUANTITY	PIC 9(05).	Fractional shares
10	REFERENCE-ID	PIC X(26).	Reference identifier for transaction
10	PA-CONTACT-NAME	PIC X(20).	Participant contact name
10	PA-COMMENTS	PIC X(78).	Participant contact comments
10	PA-PHONE-NUMBER.		Participant contact phone number
15	PA-AREA-CODE	PIC X(03).	
15	PA-EXCHANGE	PIC X(07).	
15	PA-EXTENSION	PIC X(05).	
10	TA-CANCEL-CONTACT-NAME	PIC X(20).	Custodian contact name
10	TA-CANCEL-COMMENTS	PIC X(78).	Custodian contact comments
10	TA-CANCEL-PHONE-NUMBER.		Custodian contact phone number
15	TA-CANCEL-AREA-CODE	PIC X(03).	
15	TA-CANCEL-EXCHANGE	PIC X(07).	
15	TA-CANCEL-EXTENSION	PIC X(05).	
10	UNIQUE-IDENTIFIER	PIC X(26).	Transaction unique identifier for DTC use
10	FILLER	PIC X(170).	
			<b>TOTAL = 526 BYTES</b>