

The Depository Trust Company

IMPORTANT

B#: 0118-06

DATE: October 12, 2006

TO: All Participants

CATEGORY: Settlement/Underwriting

FROM: Product Mangement

ATTENTION: Settlement Manager/Managing Director/Director/Cashier

SUBJECT: Real-time Output in ISO 15022 Format

ISO 15022 Output Messages

DTC will provide participants with real-time output messages for all settlement-related transactions in ISO 15022 format by the end of 2007. This initiative will be implemented in three phases as follows:

Real-time output in ISO 15022 format for participants' deliveries in the night cycle beginning on October 27th for settlement date of October 30th.

Real-time output in ISO 15022 format for participants' receives by mid-2007.

Real-time output in ISO 15022 format for all other settlement-related transactions and commands by the end of 2007.

Currently participants can receive real-time output in ISO 15022 format for deliver orders processed from their accounts beginning at 1:00 a.m. Beginning on October 27, 2006, The Depository Trust Company ("DTC") will modify its systems to allow participants to receive real-time output in ISO format only, for their night cycle transactions (Reintroduced Drops, Continuous Net Settlement (CNS), Automated Account Transfers (ACATs), Institutional Deliveries (ID), NSCC Balance Orders (BALOs), and Night Deliver Orders (NDOs)) beginning at **9:00 p.m.** ISO 15022 status messages for **receives** of night cycle activity into their accounts will be available mid-2007.

Currently, participants are not able to retrieve output for night cycle activity until after midnight. Many participants do not complete their turnaround deliveries until they have received positions from certain contras; as a result, they are forced to submit their deliveries during the day cycle after they have been notified of their night cycle activity. The intent of this multi-phase implementation will allow participants to code their systems to react to transactions received during the night cycle, thus taking advantage of the lower night cycle delivery fee. For example, participants will be able to submit all of their turnaround deliveries as NDOs and as receives are processed into their accounts, they will be able to submit authorizations for certain NDOs to be delivered from their accounts.

Real-time output of **night cycle deliveries** is the first phase of the real-time ISO initiative. Real-time output of receives in mid-2007 is the second phase. Lastly, real-time output in ISO 15022 format for all other settlement related transactions, i.e., Collateral Loans, Payment Orders (POs) and output for all settlement commands, i.e., Pend cancels, Receiver Authorized Deliveries (RAD) authorizations, etc., will be available by the end of 2007.

ISO 15022 output is optional and participants may continue to receive output as they do today (batch, etc.). Participants interested in receiving output in the ISO 15022 format should contact the Participant Interface Planning (PIP) area at 212-855-8989.

PTS / PBS Output

The changes being made on October 27, 2006 to allow for real-time output messages in ISO 15022 format will impact certain activity displays in certain Participant Terminal System (PTS) and Participant Browser Services (PBS) functions. Most notable will be data availability changes in the Activity Research Tool (ART) function. Below is a recap of the changes:

Data for the next business day will be available in ART at approximately 9:00 p.m., EST. Currently it becomes available after midnight at approximately 1:00 a.m., EST.

After 9:00 p.m. the default date in ART will be for the business day that just started. However, if users enter the date for the business day that just completed, they will be able to see that data except for a 15 minute period when the databases will be busy starting at approximately 9:15 p.m., EST.

The Payment Order On-line (POLI), the Participant Settlement (SETP) and Settling Bank (SETB) functions will be unavailable after 9:00 p.m., EST.

Questions regarding this Important Notice may be directed to your Relationship Manager or the undersigned at 212-855-5906.

Julie Krill
Director
Product Management