

The Depository Trust Company

IMPORTANT

B#: 1359-07

DATE: April 11, 2007

TO: All Participants

CATEGORY: Clearance/Settlement

FROM: Product Management

ATTENTION: Settlement Manager/Managing Director/Cashier/Treasurer

SUBJECT: Money Market Instruments (MMI) Support for an Exchangeable Feature and Initial Maturity Date for Extendable MMI Issuance

DTCC has worked extensively with money market instrument industry participants to accommodate processing for expanded money market instrument (MMI) features. The following revisions are associated with a multi-phase initiative to reduce risk with non-standard or “hybrid” MMIs that are outlined in the 2006 DTCC development agenda and the 2007 DTCC development agenda updates posted on www.dtcc.com.

Effective April 12, 2007, the MMI issuance function MMII on the Participant Terminal System (PTS) will support the designation for exchangeable MMI via a new optional indicator and field to include the initial maturity date associated with the existing extendable indicator. These changes will be used for security description purposes only and in the future may be used to enable asset services associated with exchange and extendable events. There is no impact to any transaction processing.

The exchangeable indicator has a default setting of “N” for no and those issuing agents that are submitting MMIs with this feature have an option to override the field to “Y” for yes. The extendable initial maturity date is a field that can be optionally entered via the MMII issuance function when the MMI extendable indicator for the security is set to “Y”.

On May 4th these modifications will be supported in the Participant Browser System (PBS). In addition, a new version 2 record lay-out for automated issuance submission of the extendable initial maturity date and exchangeable feature via the Pre-Issuance Messaging (PIM) system will be available in production. Participants that are currently using PIM can use the new version 2 by modifying the field ICMPFX-RECORD-VERSION on position 11 on the “Add Trade” and MMIC input record lay-outs.

The MMI system will accept either the current version 1 or new version 2 of the record transmission through end of October 2007 to provide transition time for firms that are still making these changes. If the current version 1 is sent then the new fields for hybrids will be set to default values in the MMI system databases. If the new version 2 is sent then the new fields will be validated according to the defined specifications. Please note for automated transmission that the initial maturity date is a mandatory field with a format of ccyyymmdd or zeroes if not applicable if the extendable indicator is set to "Y".

The MMI Banker's Acceptance issuance transaction (MMB1/5) and the Medium Term Note (MTN) issuance, cancellation and withdrawal activity (MTNEID) function will contain the new fields. The two daily MMI eligible CUSIP files, MMIECM that contains all eligible MMI CUSIPs for next day processing and the MMIECU update file which contains the changes (e.g. additions or deletions) from the previous day's master file will be modified to reflect the exchangeable and initial maturity date information. Those participants that retrieve these files may need to expand their file size to 1200 bytes from the current 1020 length to accommodate the new descriptive information.

Any questions regarding this Notice or modifications to the MMI system may be directed to your Relationship Manager at (212) 855-4155 or to the undersigned at (212) 855-2414.

Javette Laremont
Director, Settlement Product Management