

IMPORTANT NOTICE

National Securities Clearing Corporation



A#6130
P&S#5700

DATE: October 19, 2005
TO: ALL PARTICIPANTS
ATTENTION: MANAGER MUTUAL FUNDS OPERATIONS,
MANAGER DATA PROCESSING, MANAGER CASHIERS,
MANAGER P&S DEPARTMENT
FROM: DISTRIBUTION SERVICES - MUTUAL FUNDS
SUBJECT: ADDENDUM FOR MUTUAL FUND RELEASE IV - 2005

This notice contains additional information regarding the upcoming Mutual Fund Enhancement – Release IV. Please refer to Important Notice #A6076, P&S#5646, titled Fund/SERV Orders & Exchanges, Additional Social Security & Tax Identification Numbers, dated August 1, 2005.

The implementation dates are Monday, December 5th, 2005 for production and Tuesday, November 22, 2005 for PSE. Please refer to Important Notice #A6093, P&S#5663, titled Change to Implementation for MF Release IV – 2005, dated August 17, 2005.

In addition, changes mentioned in the Important Notice on Enhancements to Mutual Fund Profile Service II (MFPSII) for Mainframe and PC Web Direct will be effective **Monday, November 14, 2005**. A reference in the original Important Notice (A#6084, P&S#5654, dated August 10, 2005) referred to an incorrect date.

This Important Notice will address the following six (6) items in the December 5, 2005 MF Release IV:

I.	MQ Money Market Purchase Order and Registration
II.	Number of Payables in MQ Money Market Registrations
III.	Revised Record Lengths for Fund/SERV Variable Formats
IV.	Revised Reject Codes
V.	Clarification of the SSN/EIN Suffix Layouts
VI.	SSN/EIN Start Sequence Number

I. MQ Money Market Purchase Order and Registration

On December 5, 2005, the process will change for Money Market purchase orders and registrations coming in or going out via MQ. Instead of the Order and Registration being in one message, the registration will come immediately after the order, on both input and output.

Currently, on input, a Money Market purchase order and its registration must come in one message. If a Money Market purchase order message is read from the queue and there is no registration in the same message, Fund/SERV rejects the Money Market purchase order. (Note: This is transparent to a batch recipient, since Fund/SERV separates the registration from the order when it sends them out via AutoRoute).

Currently, on the output side, Fund/SERV combines the Money Market purchase order and its registration into one message, before writing the message into the queue.

Beginning December 5, 2005, a Money Market purchase order will have to be immediately followed by its registration. If the next message that is read from the queue after Money Market purchase order is not the order's registration, Fund/SERV will reject the Money Market purchase order.

Similarly, on output, Fund/SERV will place the Money Market purchase order into the queue first. Immediately after that, Fund/SERV will place the order registration into the queue for transmission.

Please note this affects only interactive (MQ) participants.

II. Number of Payables in MQ Money Market Registrations

Currently, the number of payables allowed on Money Market Registrations coming in or going out via MQ is limited to 5, as opposed to 6 in registrations coming in or going out using a non-MQ protocol.

Beginning December 5, 2005, this limitation will be removed. Up to 6 payables will be allowed on Money Market Registrations coming in or going out via MQ, to match order registrations that are sent using a non-MQ protocol.

III. Revised Record Lengths for Fund/SERV Variable Formats

Please check our website, <http://funds.dtcc.com>, for a complete set of revised Fund/SERV record layouts for this release. Below is a synopsis of the modified lengths (i.e., the maximum Record Length) for each affected transaction:

Order (Record Type, 001) = 1,592
As-Of (Record Type, 004) = 1,685
Exchange (Record Type, 015) = 1,499
Correction (Record Type, 003) = 2,243

IV. Revised Reject Codes

All our Fund/SERV layouts have reject codes to reference the reject for the associated field, whenever an error is detected.

The reject code numbers for **SSN/EIN Start Sequence Number** and **Total SSN/EIN Records** were incorrectly stated in the original Important Notice (record layouts.) The correct reject codes for **SSN/EIN Start Sequence Number** and **Total SSN/EIN Records** are **257** and **258** respectively.

The records affected are:

Order (Record Type, 001)
As-Of Order (Record Type, 004)
Exchange (Record Type, 015)
Correction (Record Type, 003)

V. Clarification of the SSN/EIN Suffix Layouts

When Fund/SERV detects an error, it returns that record back to the originator with the appropriate reject code on output side. Since each SSN/EIN record contains a possible 9 SSN/EINs and SSN/EIN Indicators, two new fields were added to the layouts to indicate which SSN/EIN and which SSN/EIN Indicator rejected. The fields are the **Invalid Field Indicator** and **Invalid Field Number**. These fields can be a Space on output.

The descriptions of the fields in the **Fixed Length** layouts are:

Invalid Field Indicator	98	98	1	A/N	Input: Space Output: Indicates whether a field in this record is invalid, when the record is rejected by NSCC. 0 = All fields are valid 1 = SSN/EIN Indicator invalid 2 = SSN/EIN Number invalid Space = Suffix not checked (may happen when the item is rejected for other reason)	R	
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Invalid Field Number	99	99	1	A/N	Input: Space Output: Indicates which field in this record is invalid, when the record is rejected by NSCC. 0 = All fields in this record are valid 1-9 = Invalid field number in this record Space = Suffix not checked (may happen when the item is rejected for other reason)	R	
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The descriptions of the fields in the **Variable Length** layouts are:

Invalid Field Indicator	E+91	E+91	1	A/N	Input: Space Output: Indicates whether a field in this section is invalid, when the record is rejected by NSCC. 0 = All fields are valid 1 = SSN/EIN Indicator invalid 2 = SSN/EIN Number invalid Space = Suffix not checked (may happen when the item is rejected for other reason)	R	
Invalid Field Number	E+92	E+92	1	A/N	Input: Space Output: Indicates which field in this section is invalid, when the record is rejected by NSCC. 0 = All fields in this section are valid 1-9 = Invalid field number in this section Space = Suffix not checked (may happen when the item is rejected for other reason)	R	

E = byte number of the finished item

VI. SSN/EIN Start Sequence Number

In the fixed length layouts, the field, **SSN/EIN Start Sequence Number** should be the same as the **logical** sequence number of the first SSN/EIN record. The original Important Notice incorrectly stated that the **SSN/EIN Start Sequence Number** should correspond to the **physical** sequence

number. An order coming in a fixed record format can have the following physical and logical sequence numbers in the transaction.

0101
0202
0303
0405
0506
9707

Example: Let's say the **first SSN/EIN record** begins with physical record 5. In this case it also happens to be logical record 6. The **SSN/EIN Start Sequence Number** should contain the number 06, not 05.

Testing

Effective, November 22, 2005 for PSE, testing of the new record layouts and functionality will be accommodated in the Participant Services Environment (PSE) region. Participants wishing to test must contact the Enterprise Service Center (ESC) by calling the NSCC Production Support Hotline at 212-855-1144, option 5, option 2. To ensure proper set up for the PSE region, it is requested that at least three days prior notice be provided to ESC.

Please note that participants need to obtain a test partner in order to test in the PSE. PSE does not have and cannot provide canned data.

Questions and comments regarding this Important Notice may be directed to Mutual Fund Services at 212-855-8877, or the undersigned at 212-855-5674.

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Product Management, Distribution Services