

CSDs: DTC (USA)

Date: 23 Sep 2011

SMI Markets: USA

CMIRR Markets: USA

## DTCC Launches New Corporate Action Messages - Update

Further to our previous newsflash, the Depository Trust & Clearing Corporation (DTCC) has announced that that ISO 20022 messages will be ready for implementation in November 2011, following a pilot programme testing. As a result, all Depository Trust Company (DTC) participants will have to transition to the ISO 20022.

The pilot began on 25 April 2011, and involved four leading corporate actions users. The pilot tested corporate actions announcements for all event types, including dividends, principal and interest, and redemption and reorganisation events, such as rights, tender offers and warrants.

The ISO 20022 message standard will be implemented in 2012 as follows:

- The on-boarding and adoption of ISO 20022 announcement messages for additional DTCC clients will begin in Q1.
- New message protocols providing greater flexibility in the handling of large volumes will be introduced in Q2.
- The launch of ISO 20022 pilot testing for distribution events covering the entire lifecycle, including entitlements, settlements, and election processing for Elective Dividend Service (EDS) events, will begin in Q3.
- Introduction of the new browser-based user interface will begin with training sessions and webinars in Q4 for all DTC participant clients. The new browser will replace the corporate actions functionality that currently resides within DTC's PTS and PBS applications.

DTCC's new browser-based user interface will provide a single unified corporate actions platform that will incorporate all event types. The browser will be implemented in phases beginning with distributions, followed by redemptions and reorganisations. Furthermore, DTCC, along with SWIFT and XBRL US, have developed and mapped XBRL taxonomy to the ISO 20022 message formats.

For the related official announcement, please click here: [DTCC Will Implement ISO 20022 Corporate Actions Announcement Messages for Production in November](#).

## CSD Risk Impact

### DTC (USA)

CSD Rating: AA-

CSD Flash Impact: Positive

Impacted Risk Type: Operational Risk

Current Rating = AA-

Flash Impact = Positive

Impacted Risk Type: Asset Servicing Risk

Current Rating = A+

Flash Impact = Positive

The introduction of new corporate action messages and adoption of the ISO 20022 standard for the corporate action services at DTCC will improve the straight-through processing (STP) between the CSD and its participants as well as bring the U.S market practice in line with the global standards.

Accordingly, the impacts on the Asset Servicing and Operational Risk have been placed as 'Positive'.

## Market Information Impact

USA

## Infrastructure Risk Ratings Impact

### USA

Market Rating: AA

Market Flash Impact: Positive

Impacted Risk Type: Operational Risk

Current Rating = A+

Flash Impact = Positive

Impacted Risk Type: Asset Servicing Risk

Current Rating = A+

Flash Impact = Positive

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Accordingly, the impacts on the Asset Servicing and Operational Risk have been placed as 'Positive'.

Related Flash: [DTCC Launches New Corporate Action Messages - Update, 17/01/2011 \(click to view\)](#)

### For further information contact:

Ana Giraldo - Americas and Eurasia  
Barry Morales - Asia Pacific  
Guillaume Viteau - Western Europe (incl. EU)  
Sinang Chrea - Africa, Middle East

Tel. +44 (0) 20 8600 2300 | Fax. +44 (0) 20 8741 7468  
Email: [cmiqueries@thomasmurray.com](mailto:cmiqueries@thomasmurray.com)

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