

**MEMO# 7377**

October 30, 1995

## **UPCOMING NSCC CONVERSION TO SAME DAY FUNDS SETTLEMENT**

October 30, 1995 TO: BANK BROKER/DEALER ADVISORY COMMITTEE No. 24-95  
BROKER/DEALER ADVISORY COMMITTEE No. 27-95 OPERATIONS COMMITTEE No. 31-95  
OPERATIONS MEMBERS No. 43-95 TRANSFER AGENT ADVISORY COMMITTEE No. 53-95 RE:  
UPCOMING NSCC CONVERSION TO SAME DAY FUNDS SETTLEMENT

As you should be aware, the National Securities Clearing Corporation (NSCC) will begin settling all participant obligations in Same Day Funds beginning February 22, 1996. Under this arrangement, participants will be required to establish a settling bank, and all mutual fund services (Fund/SERV, Networking, Commission Settlement Service) will be netted together into a single settlement obligation for each mutual fund service participant. Further consolidation will then take place at the settling bank level, where the settlement obligations of all participants will be netted together into a single net settlement. Settlement with the settling bank will then occur at the end of each day with a single wire payment to or from the NSCC. Attached you will find documentation from the NSCC which addresses the steps a participant must follow in establishing a settling bank. Also attached is an overview of the procedures and processing flow that accompany consolidated settlement in Same Day Funds, as well as a schedule of seminars on Same Day Funds Settlement which will take place throughout the country between October 30, 1995 and December 13, 1995. The NSCC recommends that representatives from your organization take advantage of these seminars. To register, simply contact NSCC Participant Services at 212/412-8432. If your organization has yet to begin planning for conversion to Same Day Funds Settlement, you are encouraged to begin such planning as soon as possible. Please read the attached information carefully, and address any questions you may have to NSCC Participant Services at 212/412-8432. Thank you. Kevin Farragher Director of Operations Distribution and Service

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