



**A#:** A9253  
**P&S#:** P&S8826  
**DATE:** JANUARY 10, 2023  
**TO:** ALL MEMBERS  
**ATTENTION:** MANAGING PARTNER/OFFICER, OPERATIONS PARTNER/OFFICER,  
COMPLIANCE OFFICER  
**FROM:** GENERAL COUNSEL'S OFFICE  
**SUBJECT:** MEMBER OBLIGATIONS TO PROVIDE INFORMATION TO NSCC

National Securities Clearing Corporation (“NSCC”) would like to remind all Members of NSCC that they are bound to comply with the rules of NSCC. Those rules require, among other things, that Members submit to NSCC all reports and information that NSCC deems to be necessary or advisable. Specifically, it is critical that Members provide complete, accurate, and timely responses to all NSCC due diligence requests, so that NSCC can appropriately assess the risks presented by the Members, as well as the risks posed to NSCC by the indirect participants that are serviced by direct Members, in accordance with NSCC’s regulatory obligations.

### **Counterparty Credit Risk Monitoring of Members and Indirect Participants**

DTCC’s Counterparty Credit Risk (“CCR”) team monitors Members’ credit risk and their ongoing compliance with NSCC membership criteria through review and analysis of financial and operational information and through regular market, news, and regulatory monitoring. Pursuant to NSCC Rule 2B (Ongoing Membership Requirements and Monitoring), Members are required to provide NSCC with regulatory reports and other required financial information timely. This includes annual audited financial statements and monthly, quarterly, semi-annual, and annual financial reports (e.g., FOCUS or CALL reports, subject to the applicable reporting regime), depending on the reporting frequency of the Member, and notification of changes in condition. Members are also required to respond to annual and ad-hoc due diligence requests as may be required by CCR.

CCR also utilizes its Member due diligence processes to identify and monitor the risks that indirect participants may pose to NSCC, in compliance with Rule 17Ad-22(e)(19) under the Securities Exchange Act of 1934, as amended. Among the aims of these review processes is for NSCC to understand the material dependencies between Members and the indirect participants that rely on them for the clearance and settlement of their transactions, as well as significant Member-indirect participant relationships and the various risk controls and mitigants that Members employ to manage their risks with respect to such relationships.

Questions or inquiries regarding this Important Notice should be addressed to your Relationship Manager.

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