



Important Notice
National Securities Clearing Corporation

A #:	a9429
P&S:	p&s9002
Date:	May 14, 2024
To:	All Members and Limited Members
From:	General Counsel's Office
Attention:	Managing Partner/Officer, Operations Partner/Officer, Compliance Officer
Subject:	NSCC Proposed Rule Change – Implementation of Amendments to the Stock Options and Futures Settlement Agreement (SR-NSCC-2023-007)

On March 14, 2024, the Securities and Exchange Commission approved a proposed rule change (SR-NSCC-2023-007) by National Securities Clearing Corporation (“NSCC”) to (1) modify the Stock Options and Futures Settlement Agreement dated August 5, 2017, between NSCC and The Options Clearing Corporation (the “Accord”) and (2) make certain revisions to Rule 18, Procedure III and Addendum K of the NSCC Rules & Procedures in connection with the modifications to the Accord (“Rule Filing”).

As described in the Rule Filing, the proposed rule change contained a phased implementation schedule. This notice is provided to inform Members that effective May 28, 2024, NSCC will implement all Phase 2 changes and applicable Phase 1 changes that carry over to Phase 2, as further described in the Rule Filing. This includes proposed changes primarily designed to (i) allow OCC to make a Guaranty Substitution Payment (“GSP”) to NSCC following the default of a common member that would cause NSCC to guarantee settlement of that common member’s transactions; (ii) provide for improved information sharing between OCC and NSCC; and (iii) ensure that the new process and timing for NSCC to calculate the GSP and OCC to pay the GSP will be consistent with relevant process and timing requirements necessitated by the industry transition to a T+1 settlement cycle.¹

The full text of the Rule Filing may be obtained by visiting the DTCC website at <https://www.dtcc.com/legal/sec-rule-filings.aspx>.

Questions regarding this Important Notice may be addressed to your Relationship Manager. Questions or inquiries regarding the Rule Filing may be addressed to RuleFilingAdmin@dtcc.com

¹ On February 15, 2023, the SEC adopted rules to shorten the standard settlement cycle for most broker-dealer transactions from T+2 to T+1. See Securities Exchange Act Release No. 96930 (Feb. 15, 2023), 88 FR 13872 (Mar. 6, 2023) (File No. S7-05-22).

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