

# IMPORTANT NOTICE

National Securities Clearing Corporation



**A#6585**

**P&S#6155**

**DATE:** March 11, 2008

**TO:** ALL PARTICIPANTS

**ATTENTION:** MANAGING PARTNER/OFFICER,  
OPERATIONS PARTNER/OFFICER,  
DIRECTOR OF OPERATIONS,  
COMPLIANCE OFFICER,  
CLEARING FUND MANAGEMENT PBS USERS

**FROM:** ENTERPRISE RISK MANAGEMENT

**SUBJECT:** CHANGES TO NSCC's VALUE-AT-RISK (VaR) METHODOLOGY  
PARALLEL REPORTS AVAILABLE STARTING MARCH 17, 2008  
IMPLEMENTATION MONDAY, MARCH 31, 2008

As previously announced in NSCC Important Notice A#6546 (P&S#6116) dated December 13, 2007, National Securities Clearing Corporation ("NSCC") will be making changes to the Value-at-Risk (VaR) component of its Clearing Fund methodology.

This notice provides additional information on the parallel period and implementation date.

## **Parallel Period**

For a 2 week period commencing on March 17, 2008 and ending on March 28, 2008, NSCC Members will receive two VaR Summary Reports, one in the morning and one in the afternoon. Both VaR Summary Reports will be sent via email to the same contacts.

As is consistent with current practice, the first VaR Summary Report will be sent to Members in the morning and will reflect Members' actual VaR calculations as reflected in their Clearing Fund requirements.

The second VaR Summary Report will be sent to Members in the afternoon and will be for informational purposes only. It will reflect the changes announced in NSCC Important Notice A#6546 (P&S#6116). By comparing the morning VaR Summary Report to the afternoon VaR Summary Report, Members will be able to compare their VaR charges under the current and new methodologies.

To further assist Members, during the parallel period, DTCC Relationship Management and Enterprise Risk Management will notify Members that would have incurred a Clearing Fund Premium as a result of the change in the VaR component of their Clearing Fund.

## **Implementation**

NSCC will implement the changes announced in NSCC Important Notice A#6546 (P&S#6116) on March 31, 2008. All open positions as of close of business March 28, 2008 will be subject to the changes in the VaR methodology.

Questions regarding this notice should be addressed to your Relationship Manager, John Guarrera, Manager, Enterprise Risk Management, at (212) 855-5768 or Barbara Hammel, Director, Enterprise Risk Management, at (212) 855-5785.